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GUILTY SECRETS OF AN ETS GRADER

The Washington Monthly

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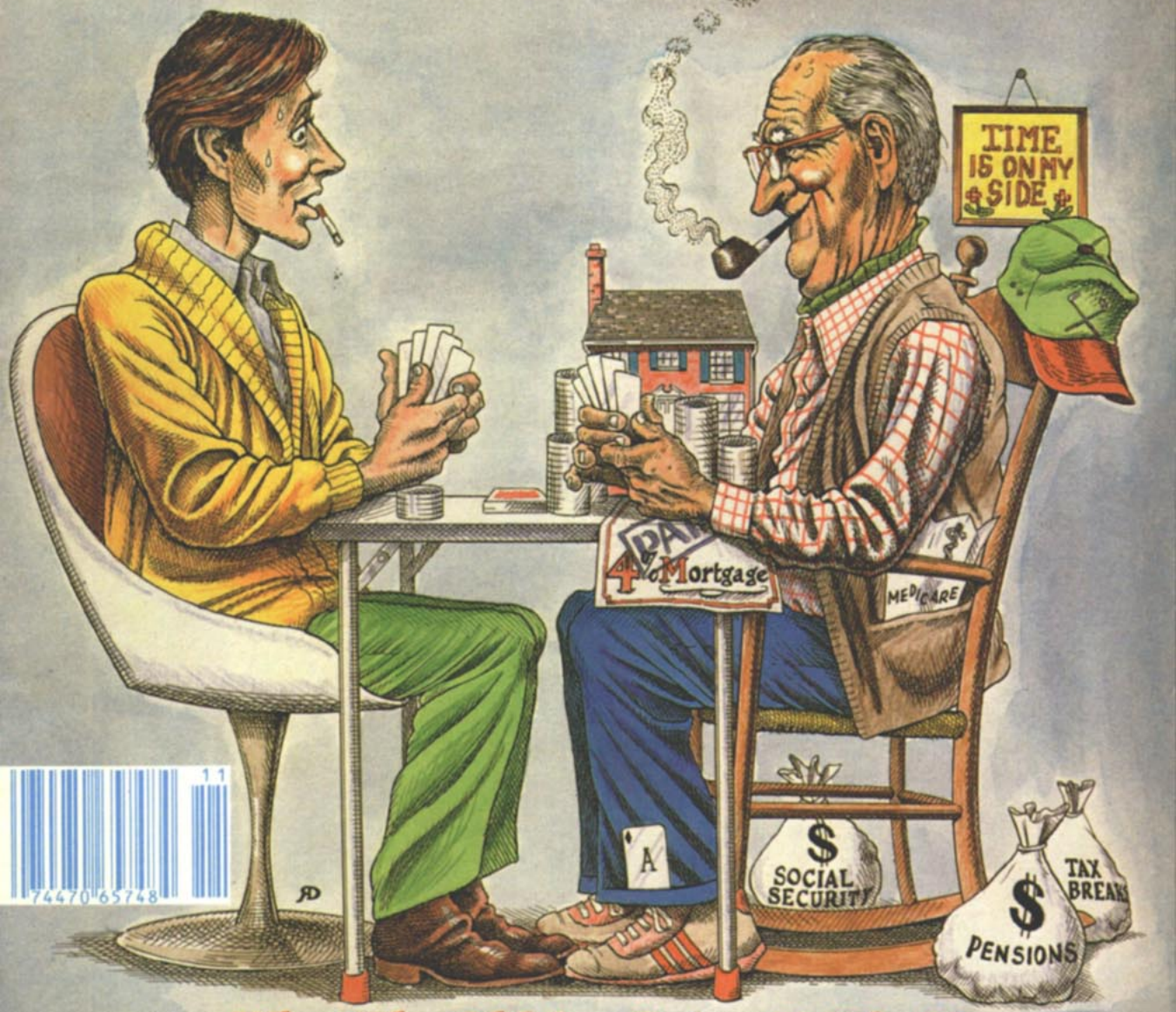
Taking America To The Cleaners



What The Old Are Doing To The Young

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Some people feel:

"Why should I wear my seat belt? I'm not going to have an accident."

"I was a good driver. I had never had a ticket during the two years I'd been driving. I really believed nothing could happen to me. But a five-minute joy ride took away everything I had except my brain. I was 18 and naive. I didn't know what a quadriplegic was until I became one."

—Jack Burnett

We want you to know:

Most of us feel the way Jack Burnett did before his auto accident 20 years ago. And, granted, most auto trips are made safely. But consider: each year more than 50,000 people die and nearly two million others suffer disabling injury in motor vehicle accidents. That's the equivalent of a death *every 10 minutes* and a disabling injury *every 16 seconds* of *every day.*

By far the largest number of those deaths and injuries are suffered by young people 15-24 years of age. That's why Jack Burnett talks to teenagers and tells them how costly carelessness behind the wheel can be.

Since 1970, under our Association's sponsorship, Jack has stressed highway safety to hundreds of thousands of high school students. "I speak from my wheelchair so others may walk," he says.

Jack's message, of course, is much about what *not* to do. Don't speed. Don't race. Don't treat a car like a toy.

But one piece of advice is positive... something teenagers *can* do. Something all of us *should* do. Use seat belts.

Jack Burnett knows that only 10 percent of the drivers and passengers fasten their seat belts. He also knows what can happen when a driver is thrown from behind the wheel and loses complete control of the car.

If Jack had been wearing a seat belt that night long ago...well, it's too late for that now.

But it's not too late for you.

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LETTERS

Trenchant Mouth

I agree with much that James Fallows says in his piece ["Language Barriers," September], but I think he should know that there are those interested in the language who are not trying to enforce "a tyranny of anxiety" when they try to preserve the language from such usage as "the most unique," "hosting," "gifting," and "opt." "Thoughts of worth" are not couched in such language.

And surely nobody could accuse the late Theodore Bernstein of ridiculing or of being petty or arbitrary. He wrote with good sense and gentle good humor.

As for "the petty nuisances who write letters to the paper whenever they see the word "finalize"—Lord love 'em, I hope they win the battle.

LILLIAN THOMPSON
Winston-Salem, North Carolina

In your September issue, James Fallows identifies me as a member of "the make-a-fuss-over-usage school of linguistics." He says that I engage in "one of today's few socially acceptable forms of snobbery," which is "invidious display" and "conspicuous consumption" intended to demonstrate that one is "well-bred." In your own "Tilting At Windmills" in the same issue, you write that you are against snobbery because "we're for democracy, for finding ways to bring people together instead of separating them into classes." You are also against "putting down others."

Fallows misrepresents my views and my purpose. He says that I oppose "flexibility and change." Far from it. I am arguing that an addiction to jargon and pompous language is not helpful to a nation. Neither is incompetence. I argue also that the notion that such a desire to use the language well is snobbish misleads millions of Americans into denying themselves the immense pleasure that English has to offer.

Coming from you, the accusation that I am snobbishly trying to put people down and separate them into classes is ludicrous. In your September issue, one of your contributors makes fun of the way Senator John Stennis pronounces "specifically." In the same issue, one finds such terms as "coin of the realm," "penchant," "impasse," and "oenophilia." Aren't these examples of "invidious display" to demonstrate "breeding" that you deplore?

You recommend that nobody go to a hospital before investigating it and one's doctor's reputation. How does this "bring people together"? And what if a surgeon does not use his instruments skillfully? Aren't the more skillful surgeons just showing off and putting other surgeons down? You admire the British medical journal, *The Lancet*, for its "readable, sometimes even vivid, prose." Is that vivid prose "invidious display"? Are you putting down American medical publications?

Your magazine makes suggestions about "Where to Stay in Washington," recommending some hotels that are "tasteful" and "stylish" and regretting that one is "far from elegant." Snobbery? And why, if one follows your line of reasoning and James Fallows's, won't any old place with a bed do? You carry an advertisement for the Iron Gate Inn, which quotes you as calling it "the most charming setting for outdoor dining in downtown Washington." Wouldn't it be undemocratic to dine there? Were you putting down other Washington restaurants?

You are unhappy about the care the White House puts into choosing wines for formal dinners. A sense of proportion is indispensable, but do you recommend ignorance in such matters? (By the way, what sort of wine list does the Iron Gate have?) And why bother about the food at White House dinners? Why not send out to the nearest take-away establishment? Surely that would be more democratic.

I cannot refrain from asking you, invidious display though it may be, whether you are pleased when your magazine contains such phrases as "he first trooped into Mike Mansfield's office with great-uncle Carl Vinson" and "The unwillingness to pursue his instincts"? ["Can Sam Nunn Escape the Respectability Trap?" Jonathan Alter, September] How does one pursue an instinct? And can one man, or even two, troop? From the same article, we learn that Senator Sam Nunn "successfully pushed an amendment through the Senate." No doubt that is more noteworthy than unsuccessfully pushing an amendment through the Senate.

A final point: Why not sprinkle mistakes in grammar through your magazine? It would be so much friendlier.

EDWIN NEWMAN
New York, New York

James Fallows replies:

I seem to have fallen short of the standard I was trying to propose, that of getting one's meaning across. Let me try again.

The reason we have language is so we can communicate. When words or phrases are used in a way that impedes communication, they should be corrected. That is what I meant in praising books such as *The Elements of Style*, which are designed to teach people how to convey meaning. For the same reason, I believe that students should spend far more time learning

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English composition than they are now expected to do. They should be taught that the difference between good and bad writing is how close it comes to transmitting the message they intend and not transmitting others. In the process, they will learn that it is harder to express a point precisely than approximately. Although the author of the book I was reviewing, Jim Quinn, included Theodore Bernstein in his list of "word snobs," I agree with Lillian Thompson that he was principally a teacher in the sense I am describing, and deserves a higher regard.

There is another kind of word "scholarship" that is exemplified by Edwin Newman's letter. Let me suggest some analogies. There is a difference between a shirt that will shrink and one that will not, between a shirt whose colors are fast and one that will run. There is a difference between a doctor who knows what he is doing and one who does not. These differences are significant, especially in the case of the doctor, and worth insisting on—as is the difference between language that conveys its meaning and language that does not. But what about the difference between a shirt with an alligator and one without? Or between a doctor who drives a Mercedes and one who drives an Oldsmobile? Yes, there are differences, but they are vital matters only to those obsessed by class and snobbery.

So it is with Mr. Newman's argument. Can any reader have misunderstood the meaning of "successfully pushed an amendment through" or "trooped into [the] office"? Can many of them besides Mr. Newman have found these constructions so painfully awkward or redundant as to merit special criticism? Is our ability to communicate undermined by the use of "trooped" in a context whose overtones are clearly military, or by "successfully" to underscore a point? Is there anyone except Mr. Newman who did not see that the unusual spelling of "specifically" was designed not to ridicule John Stennis but to praise him by highlighting the contrast between his insistence on details and the other senator's airy generalization?

Even if the game were to be played, as it should not be, by Mr. Newman's mandarin rules, he sustains Jim Quinn's accusation that he has too few facts on his side to justify such pomposity. *Webster's New International Dictionary* (unabridged), for example, lists the first definition of the verb "troop" as "to gather in crowds." But the second definition is entirely consistent with the author's meaning. It is "to go one's way: WALK (*___ed off to market. . . .*)." But the real question is why Mr. Newman should be wasting his time on "trooped" at all instead of concentrating on the substance of the article in which it appeared.

The Washington Monthly

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The Washington Monthly

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TILTING AT WINDMILLS

A mystery often noted in these pages is how Ronald Reagan so resolutely ignores the fat in the defense budget that is obvious to almost everyone else in town, including the president's own White House staff. A few weeks ago I asked someone who had recently left that staff if he had an explanation. His answer: guilt.

Reagan has always thought of himself as a patriot, yet his World War II service could, in the words of a charitable biographer, Lou Cannon, "hardly have been cushier." For many of my readers under 40, for whom draft-dodging has been a highly respected way of life, this will be hard to understand. But during World War II there was only scorn for the evader and even considerable embarrassment in the kind of assignment Reagan had, which was making training films while living at home.

It is my friend's theory that this guilt transformed Reagan into the kind of super-patriot who always salutes the generals. The skepticism he consistently applies to the civilian side of government is thus never brought to bear on the military, whose appropriations continue to rise as others are reduced. . . .

Liberal intellectuals tend to deride the average American's traditional preference for large cars as a failure of taste, as another example of the vulgarity of mass culture. There is, however, a very good reason for that preference: safety. The Highway Loss Data Institute and the Insurance Institute for Highway Safety recently conducted a study that found U.S. cars are safer than foreign cars. Why? Because they are larger. But the advantage may be lost as economy dictates a switch to smaller cars. For example, the growing move of employers to small-car fleets can, according to a Johns Hopkins study, "double a worker's likelihood of being killed in a job-related crash."

Small-car snobbery in America began with the Volkswagen in the fifties. This was when snobbery exploded in America. The reason taste became so important in the fifties was that the college degree, which before World War II marked one as a member of the educated elite, was radically discounted by the postwar GI Bill. People had to find new ways of demonstrating their superiority. *The New Yorker* became crucial. Where else would you find such a sure guide to tasteful consumption? Even the selection of a political candidate was seen as a way to display one's intellectual superiority. I am convinced that most of Adlai Stevenson's most intensely devoted supporters were at least partly motivated by the feeling that supporting Stevenson demonstrated their taste and intelligence.

The decade ended with Arthur Schlesinger Jr. explaining (I am indebted to Robert Shogan's new book, *None of the Above,* for reminding me): "The hard fact is that Nixon lacks taste." Kennedy, on the other hand, was a "bookish man," "exceptionally cerebral," and, this above all: "non-corny.". . .

Government workers are up in arms about a Federal Express commercial that shows two postal employees chatting away while customers are ignored. But it may be that

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Federal Express is understating the case.

The Winfield, West Virginia, office of the state's department of motor vehicles has an unlisted phone number to protect its employees, according to a department spokesman, from being "inconvenienced" by calls from the public. The department's deputy commissioner explained to the *Charleston Gazette* that all the public had to do was use another toll-free number. That number, however, is not published in any phone book in the state, nor can it be found through local directory information. . . .

If you have been worrying about PAC domination of our political process, Andrew Mollison of the Cox Newspapers has good news for you. Only 15 percent of the funds raised by the average PAC actually finds its way into the hands of the candidates. All the rest, in the glorious tradition of American fund-raising organizations, is spent on overhead. . . .

It's too bad Cox Newspapers doesn't have an outlet in Washington. So many good stories like Mollison's get ignored here. Another example is a story by Joseph Albright about mock-terrorist raids at nuclear weapons plants. You may have read that such raids revealed serious lapses in security. Well, Albright found that the team that had conducted the raids had been disbanded. By whom? By the officials who were responsible for the security failures that had been uncovered. It is hard to imagine a more perfect example of the classic bureaucratic response to the revelation of error. "We certainly can't let that happen again," meaning not the error, but the revelation. . . .

Where do you think Samuel R. Pierce Jr., secretary of Housing and Urban Development, spent the month of August? On vacation, you guess. Right. Not his real vacation but a junket financed by the taxpayers to such centers of HUD program activity as China, Hong Kong, and Egypt.

The one consolation for the taxpayers is that the poor man picked the wrong time of year. Veterans of the Congress and the foreign service know when to junket to where. But the new congressman or the new cabinet member often finds himself, having anticipated a joy-ride, unable to see the Taj Mahal clearly through sweat-fogged sunglasses. Perhaps some retired foreign service couple could increase their income and perform an act of mercy at the same time by publishing a guide for the neophyte junketeer: spring in Greece, late autumn in South Asia, January in Kenya. . . .

There is troubling news from *The Washington Post*, troubling because it involves acts that were unworthy of the paper and of the men responsible for them, Lee Lescaze and Ben Bradlee. Bradlee is of course a legend, and Lescaze is considered one of the bright hopes of the paper's future. I like and respect them both. But here is what they did:

Bradlee killed a story called "Pomposity in Washington." His reason seems to have been that among those the article nominated for the hall of fame of pomposity—including Claiborne Pell, Joseph Califano, Jack Valenti, Rowland Evans, Hugh Sidey, Edward Bennett Williams, and George Will—were several of his close friends.

Lescaze, who recently became editor of the *Post*'s Style section, gave 25 inches of space to an article pointing the finger of shame at *The Washington Times*, the local Moonie paper, for refusing to print a critical review of *Inchon*, a movie bankrolled by the Reverend Moon. Lescaze's reporter, however, had been told the *Times* was planning to replace the killed review with an equally negative one by Vincent Canby of *The New York Times*. This crucial fact was omitted from the *Post* story, Lescaze says, because it couldn't be "confirmed." Why not hold the story until it could be confirmed? Was this fast-breaking news that demanded space today? Or was it the kind of story that could have held for a day or two or three to avoid giving readers a false impression? A false impression is what the *Post* readers got. Even when the *Post* grudgingly corrected its error, it did so not where the article had been printed, but on the editorial page under the unrevealing headline, "A Newspaper Flap." The correction waited for four days. Why couldn't the original story have done the same?

This was one of those stories that are hard to resist because it seemed to be a smoking gun—the positive proof of what so many of us suspected, that the *Times* would ultimately display its true Moonie colors. Indeed, I attended a party of journalists

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the night after the *Post* article appeared, and all were chortling about how delicious it was. Of course it was so delicious that the *Post* didn't want to find out there was a hole in it.

Most of us in journalism have had stories at one time or another that were so good we hated to ask one more question for fear we would find out that it was wrong or that it was not quite as mouth-watering as it had appeared to be. It's terribly hard to resist the temptation to not ask that question. But in this case in particular, the temptation cried to be overcome. For the *Post* is a giant and *The Washington Times* is a tiny, struggling competitor. To make matters worse, the *Times* had just the day before scored one of its rare triumphs over the *Post*. It lured Diana McLellan ("Ear") away from Mr. Lescaze's Style section. So the whole episode has the smell of sour grapes. . . .

Here's another in our series of cases where the courts have freed the truly guilty and the truly dangerous for truly frivolous reasons.

A Los Angeles man who was convicted by a jury of second-degree murder for beating to death the mother of a small child has had his conviction reversed on the ground of double jeopardy. The defendant had not been forced to go through two trials, if you are so innocent as to think that's what double jeopardy means. A jury had been picked for the first trial, but nothing else had happened—no questions asked, no evidence introduced—when suddenly the prosecutor became ill and a mistrial was declared. So the hideous torment the defendant endured—the only double-jeopardy—was sitting through a second round of jury selection. . . .

In *How Washington Really Works* I noted that the average civil servant "doesn't want his performance to be evaluated because, although it might bring praise and more rapid advancement, it might also bring the discovery that his performance has been less than superb. So, whenever evaluation is attempted, he and his colleagues, allied in this case as they are in no other, turn it into a joke." The latest illustration of this observation came in September when the Office of Personnel Management revealed the number of GS 13, 14, and 15 "manager/supervisors" who had been rated "unsatisfactory" under the new merit pay program:
.1 percent—that's right, just one-tenth of one percent. . . .

As we have tried to point out from time to time, there is considerable fat in the budget requests government agencies send to Congress. The House Appropriations Committee found this example in the 1983 budget of the District of Columbia: The various agencies of the city had based their budgets on gasoline costs estimated at anywhere from $1.30 to $1.82 a gallon. Today a prudent Washingtonian can do several cents better than the lower figure. . . .

Things haven't fallen completely apart at the *Post*. In September it ran a truly remarkable series on homosexual rape in the jails of nearby Prince Georges County, Maryland. Even more remarkable in this city of conventional liberals—who would want to solve the problem by letting everyone out of jail immediately—was that the *Post* editorial department came up with the right answer to the problem: "A clearly defined and rigorously enforced policy of separating violent and nonviolent detainees must be established. Shoplifters and traffic offenders should not be placed in the same holding area as accused murderers and armed robbers. It's as simple as that.". . .

A year or so ago, when Ronald Reagan's press conference errors were front-page news, my colleague, Jonathan Alter, predicted that, even if the errors continued, the story would move deeper and deeper into the back pages. I was skeptical, believing it would still be important for the public to realize that the president often didn't know what he was talking about. "But it would no longer be *news*," Alter replied, reminding me that editors and reporters think not in terms of what is truly significant but almost solely in terms of what is news.

On Thursday, Septemer 30, 1982, *The Washington Post* ran its account of the mistakes Reagan had made at his press conference on Tuesday of that week. Although there were enough errors to make the story 17 paragraphs long, it ran on page 20. . . .

A U.S. attorney's office in California recently checked the citizenship of 168 foreign-born voters. Only 59 were U.S. citizens. The rest were voting illegally. One has the feeling

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that this is the tip of a very large iceberg. . . .

I fear that the great surge in the stock market has failed to reflect any reality other than the need to switch investments, which was dictated by falling interest rates. Reality was, I think, much more accurately and chillingly reflected by these two facts:

1) By mid-September the number of business failures for 1982 already had exceeded that of any year since 1933;

2) The latest report from the Commerce Department shows that investment for plant expansion and modernization, the investment that could fuel a recovery, is continuing to decline.

Another factor causing misleading gyrations in the stock market is merger mania. It used to be that the rumors that started a stock on the way up were about a great new invention or the discovery of extensive mineral deposits somewhere. Now it's the rumor of a merger, which instead of adding to the company, subtracts from possible productive use the capital needed to make the acquisition. Another way mergers hurt was recently reported by *Wharton Magazine*, which told of a study that found that, on the average, the more products a company has the lower its rate of profit will be.

Another factor in our economic decline—one that many of us believe is central—was the subject of another recent study prepared for the National Science Foundation by the University of Wisconsin. The study found that the decline in our international competitiveness is far greater than most people realize, involving 62 percent of our industry, ranging from textiles to leather goods to metal products to musical instruments to rubber products to machinery to lumber to sporting goods. . . .

The members of the Buffalo Newspaper Guild voted in September to let the *Courier-Express* close down rather than give management the right to reduce the number of employees and to choose which ones would be kept. A union member said, "We found that concept of allowing them to pick and choose repugnant." If management can't favor the most productive, what's going to happen to us? Continuing decline. . . .

What do you do if you want to be in the Social Register? Who should you make a point of being nice to? One thing is for certain: stop calling Malcolm Forbes a goddam lunatic for flying around in those balloons and immediately begin to refer to him as a lovable and brilliant eccentric of the kind we most definitely need more of. It seems that Forbes and two of his sons, Christopher and Robert—remember to say they're charming too—own all the shares of the Social Register Association. One thing the sons have done is broaden the base, acording to Robert Eringer, an English writer who became interested in the subject. Your chances of getting in are a good deal better today than they used to

Social Security: Averting the Crisis

by Peter J. Ferrara

"Peter Ferrara has grappled courageously with what is probably the most urgent problem for the United States if they are not to follow the British decline."
—F.A. Hayek
Nobel Laureate in Economics

The Social Security crisis may well prove to be the major economic problem of the decade. As the financial strain of its *multi-trillion* dollar unfunded liability becomes ever more severe, alternatives to the present social security system will receive serious consideration. Peter Ferrara's *Social Security: Averting the Crisis* is certain to have a major impact on whatever alternatives are ultimately adopted. It is must reading for anyone concerned with this growing social and economic crisis. 133 pages. $6.95

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be. Before 1977 you couldn't be recognized by the Register if you didn't live in one of the 12 cities for which its various volumes were published. Now there's a national register, and even if you're from Tennessee or Arkansas you can make it.

One other tip: If you don't happen to run into Forbes or one of his sons, be sure to put on your most gracious face whenever you meet anyone named Mrs. Cook. Eringer penetrated the Register's inner sanctum long enough to learn that she was the one other power behind the scenes—but, alas, not long enough to ascertain her first name.

Ah, well, while it may be a bit of a nuisance for the socially ambitious, still it's nice to think of all the obscure Mrs. Cooks out there who suddenly are going to find themselves the objects of solicitude, flattery, and invitations to dinner. . . .

Two old friends have recently come in for a lot of criticism. They are Michael Kinsley, the editor of *Harper's*, who was faulted for having accepted a trip to Israel paid for by the government of Israel, and the aforementioned Diana McLellan, whose alleged sin was accepting employment with *The Washington Times*, thereby prostituting her talent for the good of the Moonies.

In Diana's case, there is no question she did the right thing. After establishing herself as Washington's liveliest purveyor of gossip at *The Washington Star*, she, upon that publication's demise a year or so ago, was hired by *The Washington Post*. During her first month there she reported that the Carters had bugged the Reagans at Blair House. Her evidence turned out to be a bit short of conclusive. This so alarmed her new bosses that they proceeded to suffocate her talent under a team of lawyers and editors who were dedicated enemies of the spirit of mischief that motivates all the best gossip. Furthermore, working at the *Post* deprived Diana of one of her best targets.

The *Post* as an important institution in Washington ranks slightly behind the White House and the Congress but well ahead of the Supreme Court, and any of the cabinet departments with the possible exception of Defense. It also needs criticism, as I have from time to time indicated in this space. Yet there are powerful reasons for a journalist not to criticize it. Not only is it on the whole an excellent paper, but many journalists have a lot of friends who work there. Also, most of us like to be published or mentioned favorably in its columns, events whose probability is not necessarily heightened by comments that its writers and editors perceive to be unfair, which usually includes even the most gently phrased criticism. Thus it is extremely important to have working for a rival paper a bright critic like Diana, who has absolutely no interest in or hope for favor from the *Post*. As for the sin of using her talent to enrich the Unification Church, the *Times* is losing money now and is sure to do so—dare I say—for many moons. . . .

As for Michael Kinsley, the first point to make is that conflict of interest is a much more complicated subject than most realize. Kinsley himself captured the complexity best when, writing in these pages several years ago, he asked, "Is it a conflict of interest for a mother to have a second child?" I think Michael's error in this matter was making the trip too early in his tenure—within his first year in fact—as editor of *Harper's*, before its readers had had adequate opportunity to get to know him and become aware of his absolute independence and integrity. Perhaps he thought he could rely on the reputation he had made as editor of *The New Republic*. Unfortunately, however, *The New Republic* has not been noted for the severity of its criticism of Israel. Martin Peretz, the owner, is largely responsible for that fact, but how was the average reader to know? For the reader, Kinsley had to be slightly suspect on Israel and the problem was compounded by his accepting the trip. So I think Kinsley was mostly wrong in this case, but I think he is right in his appraisal of conflict of interest in general. I also think he will be one of the great editors in *Harper's* long and distinguished history. . . .

It used to be that all a dad had to do to guarantee grandchildren was to see his daughter through her wedding day, which might have cost him a bundle, but at least it all ended there. But not with the modern woman. I was talking the other day to a man who confided he finally was able to persuade his daughter to produce the grandchild he wanted only by paying her the equivalent of her law firm salary for the time she had to spend away from work. . . .

September 22 was a great day for *The Washington Monthly*'s gospel on national security. Here are two

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headlines that appeared on the same page of *The Washington Post*: "Senate Panel Votes Cut in GIs in Europe" and "Defense Study Urges Shift to Subs.". . .

One of the cruddier examples of special interest lobbying in recent months has been the effort of the commodity futures brokers to avoid paying a fee to finance their own regulation, as do bankers and stockbrokers. The proposed fee would have been something less than a crushing burden, exactly 12 cents on transactions on which brokers' commissions now average $60 to $70, according to *The New York Times*. Why are the brokers succeeding so far with such a terrible cause? Their political action committees, according to *The Wall Street Journal*, donated $340,000 to congressional candidates in the first half of this year. Even Washington's new hero, Bob Dole, took $10,000. . . .

In the snobbery explosion of the 1950s, probably the worst place to be was a cocktail party in New York. You had only a few seconds to engage the attention of that stunning girl and you felt you had to flash your badges pretty fast. An impressive job was probably the best way to establish yourself quickly. It seems to remain important today. Witness what Helen Gurley Brown told an interviewer recently: "I'm terrified not to have a big job because it's having a big job that makes me popular. If I didn't have it no one would be interested in inviting me to lunch."

—*Charles Peters*

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REAGAN'S REGULATORY REPORT CARD

by Jonathan Alter

Government regulation is a bit like sex. (Bear with me for a moment—or would you prefer to read about "cost-benefit analysis" right away?) Most people can agree it's a necessary thing, but start talking about how much is necessary—and of what variety—and opinions quickly diverge.

Liberals generally tend to be permissive in both regards, and on occasion they indulge in what only can be considered bizarre and self-destructive acts. What else can explain the gas pump lock rule? If you live someplace like Buffalo, New York, and make a habit of trying to save a few pennies by buying your gas at a self-service station, you should be particularly aware of this one. The Occupational Safety and Health Administration until recently prohibited self-service gas pumps from featuring a device that allowed you to put them on automatic so you could scurry back into your car until the tank was filled. Instead, you had to stand there in five-degree weather while the wind whipped snow into your face and your hand froze off.

Meanwhile, conservatives have had their own peccadillos —like abstinence and self-control—that in the regulatory world go by the name "voluntary compliance." The faith in self-control is well exemplified by Raymond Peck, the new administrator of the National Highway Traffic Safety Administration (no auto-eroticism jokes, please). Peck figures the best way to keep people from dying needlessly on the highway isn't airbags or even automatic seat belts. Far better is to persuade people to buckle up. At first, Peck hoped to do this by prompting "safety Sabbath" speeches at churches. Now he is breaking new regulatory ground—seatbelt messages in fortune cookies.

On government regulation, like most other political issues, certain people just won't listen to rational argument—they just believe. Whoever came up with the gas pump rule probably is absolutely convinced gasoline attendants can be trusted with locking devices—but let the average motorist off the street use one and he's likely to immolate himself. Peck, for his part, probably believes people really will change their attitudes about seatbelts if they open a fortune cookie at their favorite Chinese restaurant and read, "You Are About to Go on a Long Journey. Wear Your Shoulder Harness."

Given that regulations have proliferated in recent years, it's only natural that liberals have more often been the ones caught looking like deviants. The dumb rules not only harassed business and the public, they helped elect Reagan, who used the juicy anecdotes to great political advantage. Reagan also got a lot of advice from a then-obscure economist from Washington University in St. Louis named Murray Weidenbaum.

Jonathan Alter is an editor of The Washington Monthly. *He was assisted in the research for this article by Thomas Hartman.*

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Weidenbaum at one point estimated that regulation costs American industry $100 billion a year, and though he never quite explained how he came up with that figure, it became a staple of Reagan's three-by-five card file. (Weidenbaum went on to become chairman of the president's Council of Economic Advisors, a post he left this summer.)

After the election, Reagan appointed George Bush chairman of a special task force entrusted with reviewing all major federal regulations. The charge of the task force was to scrutinize these rules, separating those that were truly necessary to protect health and safety from those that some busybody GS-14 might have cooked up as part of a malicious campaign against America's hearty entrepreneurs.

The main device the task force supposedly would use for this winnowing process was something known as "cost-benefit analysis."

Pavlovian Watchdog

This sort of technical approach may be enough to send you home from a dinner party at 8:30, but it supposedly lies at the heart of the traditional conservative critique of government regulation. Liberals have never had much faith in the idea, pointing out (correctly) that the equations can be easily manipulated to produce the desired results; besides, how can you put a value on human life? But conservatives have responded—also quite correctly—that just because an idea might some day keep one or two workers or consumers from getting sick or defrauded doesn't mean it merits automatic inclusion in the bible of regulation known as the *Federal Register*. A balancing of costs and benefits must be undertaken, the Reaganites-in-waiting wrote ad nauseam in *Regulation* magazine.

All of which *sounded* reasonable enough—until some disturbing clues started suggesting a wholly different purpose. First, there was the name Bush's group gave itself: Task Force on Regulatory Relief. Not reform. *Relief*. The very name carried with it the assumption that the group's main task is not to determine which regulations are worth the cost and which aren't, but simply to get rid of as many as possible.

And as if this Rolaids approach wasn't enough, the deregulators started fiddling with the axioms behind their equations. This August the Bush task force released a progress report that detailed changes in or recisions of 111 regulations. Arguments against the regulations all mentioned the costs of complying with the old rules and the "net cost savings" to industry and local government, which were said to total $9 billion to $11 billion in one-time investment costs and $4 billion in annual recurring costs. But never once were the benefits of the rules expressed, even just to prove how paltry they were. This is most unusual, considering that less than a month after taking office President Reagan issued an executive order requiring every major regulation to go through the paces of "cost-benefit" review.

Why hadn't OMB's number-crunchers bothered to report on the benefits of the regulations rescinded? "On the face of it," says Christopher DeMuth, executive director of the Bush task force, "the benefits of these are almost always negligible." So however much they talk a big intellectual game about cost-benefit, it's becoming clear the Reaganites simply *don't want* to assess both sides of the equation. Indeed, in the Reagan-backed regulatory reform bill pending in Congress (and likely to pass), the phrase "cost benefit" has been consciously replaced by the term "cost effectiveness," which to the layman may sound like splitting hairs, but to those in the regulation field is as significant as the difference between "beyond a reasonable doubt" and "by a preponderance of evidence" is to lawyers.

The truth is that a number of the changes on the regulatory landscape have been so radical that even some of the industries the administration means to help are feeling ambivalent—if not a bit angry. *The Wall Street Journal* reported in September that a wide range of manufacturers—from Exxon to Bacardi—already in compliance with EPA regulations are discovering to their dismay that relaxation of environmental standards will give an advantage to competitors who haven't been responsible (or foolhardy?) enough to install pollution control devices. Similarly, a Reagan proposal to withdraw a long-planned OSHA regulation requiring the labeling of hazardous chemicals in the workplace sent chemical industry lobbyists scurrying to Washington for a reversal. About the last thing they needed, they told the administration, was 50 states with different labeling requirements. So much for the "New Federalism."

When the mood of a conservative government has reached the point where even some of its natural allies get nervous, it's a good sign that a very debilitating sort of polarization is setting in. On the liberal side, this is reflected in the widespread assumption that because so much bad news comes out of the government, *all* Reagan news is bad.

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That isn't so. Consider the Consumer Product Safety Commission, a Naderite agency if there ever was one. The CPSC not only has survived intact, but over the objection of industry has decided to go through with banning urea formaldehyde insulation and requiring safer lawnmowers, both long-time consumer priorities.

But the polarization does much more than prevent good news from being appreciated. It also prevents sensible regulatory improvement. The Clean Air Act, to use the best example, is clearly in need of some reform. According even to Carter administration estimates, it costs industry $25 billion a year, much of it irrelevant to clean air. The act is structured in such a way that old, dirty plants are protected and construction of new, cleaner plants using low-sulphur coal is made less attractive. But there is little chance that the act will be improved when it comes up for renewal this year because Reagan has become so suspect—and rightly so—among environmentalists.

That's how regulatory reform breaks down: you're either for regulation or against it; improvement becomes a side issue. "He has put people at the head of some of these agencies so hostile to the goals of regulation that the pendulum will eventually swing all the way back to the zealots on the other side," warns Alfred Kahn, who deregulated the airline industry under Carter.

If you're still wondering how the Reaganite's heart really beats on the matter of regulation, consider this from Weidenbaum himself:

"There is a famous Sherlock Holmes story in which the decisive clue was the fact that the dog did not bark. Similarly, the most significant development on the regulatory front last year may be the event that did not happen. Not a single new regulatory law was enacted during the year [1981], nor was a major new regulatory program promulgated by a federal agency. It was the first year in several decades that the federal dog did not bark."

Whatever the merits of Holmes's hound, it should be clear that the most useful kind of watchdog knows how to sit silently, but also knows to yelp and even snap at a sign of legitimate danger, such as, say, the widely agreed-on projection that exposure to toxic chemicals in the American environment will double within a decade. The dog that barks indiscriminately isn't the one we want—but neither is the one that merely licks the shoes of any visitor.

With that said, it's time to take some stock in what Reagan has really done on the deregulation front in his nearly two years on the job. Fear not, we won't insist on looking into the Department of Transportation's marine vessel documentation standards. What follows are simply a few highlights.

Some Small Consolations

In the vast universe of federal regulations, it's to be expected that Reagan has found several genuine stinkbombs to defuse. They may be few and far between, but there are enough to suggest that not all the belly-aching has been for naught.

In addition to repealing its aforementioned gas pump lock rule, OSHA has eliminated some unnecessary reporting requirements for white-collar offices, where occupational hazards consist primarily of paper cuts and spilled coffee. Manufacturers will no longer be required by the National Highway Traffic Safety Administration to inform consumers of a useless feature called the "tire reserve load." What is it? This rule is so unimportant and irrelevant to safety that not even Ralph Nader's top auto people really know—or care.

The administration has made some other changes that are not specifically related to health and safety but deserve mention anyway. (For more on economic regulation, see sidebar.) The Department of Transportation has rescinded rules that all federally funded public transportation systems provide full access for the handicapped. For the cost of putting lifts on buses and elevators in subways ($1.7 billion for New York City alone), cities could chauffeur the handicapped around in limousines and use the extra money to keep the subway tunnels from collapsing.

The Office of Personnel Management (and a number of other agencies) has made some important progress in reducing the paperwork imposed on states. As for Davis-Bacon Act regulations, the Reagan administration has rewritten "prevailing wage" rules that require workers in rural areas to be paid big city union wages and helpers to be paid as journeymen. This decision could save the federal government more than $500 million a year in unnecessary construction expenses. Unfortunately, organized labor recently took the changes to federal court and won the first round.

I could cite other examples, but let's move on to look at where deregulation has had its most disturbing consequences—namely in the health and safety area. It is there that the Reagan administration has moved most aggressively.

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OSHA: Winkin', Blinkin', and Nod

Drawings by Michael Lahr

"You don't hear any OSHA jokes anymore," Murray Weidenbaum says with satisfaction. The Reagan administration believes that it has eliminated the bad blood that once existed between business and an agency that at one time enforced rules on toilet-seat shape and the safety hazards of cow manure. To be accurate, though, most of those dumb regulations were eliminated under Carter—928 of them, to be exact. And under Reagan the joke is still there—only this time it's on working people.

Start with "Star," "Praise," and "Try." Those are the names of OSHA's three new "voluntary compliance" programs, the result of which is that 13 million workers and more than three-quarters of all manufacturing firms will no longer be covered by regular OSHA inspection. A new "targeting" policy allows all citation-free companies whose reported "lost workday" injury rate is below the national average to be exempt from routine inspections for a few years.

Aside from encouraging under-reporting of lost sick days—an irresistible temptation for any business, particularly when such things already are hard to monitor—the change will mean that when OSHA inspectors visit a plant they often won't be looking around the workplace. They'll just check the records. Nonetheless, this will count as an "inspection."

OSHA's new-found enthusiasm for the virtues of voluntary compliance can be attributed to administrator Thorne Auchter, whose Florida construction company was cited 49 times by OSHA for safety violations during the 1970s. Auchter views his role as serving his "clients," which in this case means American business. This might seem no worse than predecessor Eula Bingham's too-cozy relationship with organized labor were it not for the fact that the whole point of the agency is to protect the safety of *workers*.

As Auchter's own case suggests, the natural tendency of business is to try to save money by cutting corners on health and safety. It doesn't take an industrial psychologist to know that the urge gets stronger if businessmen know there's no real threat of getting inspected. There is nothing sinister in this; it's simply a by-product of American capitalism. Indeed, to expect a business to take care of these matters itself on all occasions is to expect it not to behave like a business.

Which is what Auchter apparently expects. In 1981, total OSHA inspections were down 21 percent and follow-up inspections were down 72 percent. Initial citations were down 75 percent and penalties down 48 percent. To disabuse you of any notion that OSHA inspectors before this were pestering the factories and offices of America every few weeks, OSHA had all of 1,200 inspectors to monitor three million workplaces. If each inspector got to five workplaces a day, he'd look at each once every two years.

In the area of health standards, OSHA has moved much slower than in the past, despite new studies from the National Cancer Institute linking 38 percent of all cancers in the United States to occupational exposure (a report, by the way, that Auchter said he hadn't read). Plans to regulate exposure to chromium and nickel, both carcinogens, have been dropped.

And on just one day in April, all three of OSHA's staff physicians resigned amid grumbling that Auchter was dragging his feet on workplace chemical hazards. This paralleled a major battle between OSHA and the National Institute of Occupational Safety and Health over formaldehyde, which several new studies show to be strongly linked to cancer in animals. NIOSH officials didn't want a ban, just some exposure-monitoring in places where levels are especially high. Auchter not only refused, but fired OSHA's top specialist in carcinogens over his role in the matter (under pressure from Congress he was reinstated). Auchter's deputy, Mark Cowan, sent a letter to NIOSH saying formaldehyde risk assessment would have to wait for data on human exposure—in other words, illness or death. He later said his comments were misinterpreted.

If nothing else, OSHA aims to please. Auchter recently proposed a plan whereby company executives can fill out report cards on inspectors, rating them for politeness and efficiency—and then send the results to Washington.

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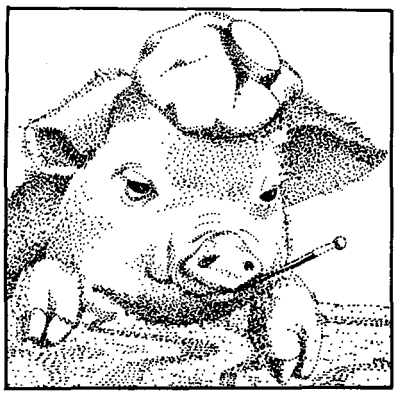
USDA: Everything But the Oink



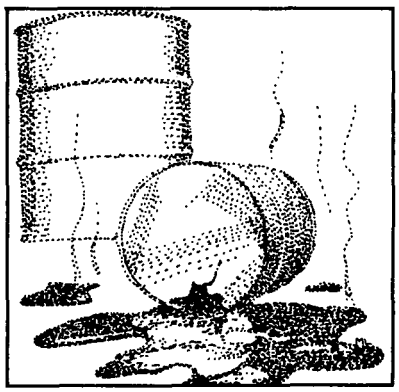
Upton Sinclair wouldn't have liked John Block very much. Sinclair was the author of the turn-of-the-century classic *The Jungle*, which was responsible for the launching of an ambitious federal meat inspection program to protect public health. Block is the secretary of agriculture bent on deregulating meat. His deputy secretary and assistant secretary for inspection are, respectively, former lobbyists for the American Meat Institute and National Cattlemen's Association. Recently Block kicked off the opening ceremonies for the Meat Institute's "National Hot Dog Month."

True story: The department recently entertained the notion of making it easier for you to eat tuberculosis-infected hogs, of which there are tens of thousands. Right now, tubercular pork must be cooked intensely to kill any disease. But pork processors think this ruins the taste, thus making it unsuitable for anything but canned goods. The Reagan administration recently backed off on plans to relax cooking requirements, though it still maintains such a change would not affect health. So tubercular pigs won't be allowed to show up in hot dogs and bologna—yet.

USDA also has relieved the industry of the requirement that it label mechanically deboned meat as containing tiny bone chips (which it does). Instead, the word "calcium" on the label will suffice, making the product more marketable.

At present, meat processing plants are inspected daily. The department is asking Congress to let it inspect more occasionally. "Given the right climate, businesses will accept the responsibility" of producing healthful meat "without someone constantly looking over their shoulder," assistant secretary C.W. McMillan told *The Wall Street Journal.*

EPA: Shocking Toxic Syndrome



Given EPA's enormous scope, finding fault with the agency has never been hard, no matter who was in charge. Fifty thousand plants discharge waste into rivers and streams each year; another 40,000 into municipal sewers. There are 55,000 chemicals to be contended with (1,000 new ones a year); 160 million tons of air pollutants, 40 million tons of hazardous waste. Eighty percent of that hazardous waste traditionally has been disposed of unsafely.

But lest you think the hard knocks EPA suffers (see "The Budget Cut That May Poison Your Children," December 1981) are a little excessive, remember that administrator Anne Gorsuch feels EPA has *too little* work to do. While her plans to destroy the agency by cutting its size in half were beaten back earlier this year, enforcement, lackadaisical even under Carter, is now nearly dead. Gorsuch abolished the enforcement division at the beginning of her administration, scattering its functions to different parts of the agency. Senator Patrick Leahy pointed out recently in a scathing report that between summer 1981 and summer 1982 enforcement responsibilities were reorganized once every 11 weeks, barely enough time to move the furniture. No wonder the number of referrals to the Justice Department for prosecution of polluters has dropped more than 70 percent since 1980.

The reason this should worry the public, as former EPA assistant administrator William Drayton points out, is that it undermines "voluntary compliance," which has always been the mainstay of EPA's regulatory efforts. The voluntary approach has spread to many other agencies under Reagan, but what the deregulators don't want to understand is that the success of volun-

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tarism depends, quite simply, on the stick. "In the 1970s, an industry thought to itself, 'maybe they [EPA] haven't gotten to us yet, but they might next week, so we'd better comply,'" says Drayton. "Now it thinks the exact opposite."

On two major issues, disposal of hazardous liquid wastes and lead in gasoline, the administration has had to drop deregulation efforts in the face of powerful public opposition. But on issues less inflammatory than liquid toxics leaching into backyards and lead into bloodstreams, the agency has gotten away with more. Regulations on auto emissions, pesticides, PCBs, ocean dumping, air and water pollution, and other more traditional areas of EPA involvement have all been substantially relaxed.

On acid rain, the agency's official position is that its harmfulness has not been firmly established, so no regulation of the problem is planned as of now. While that finding may come as a surprise to hundreds of scientists (not to mention anyone who lives in upstate New York or Canada), Gorsuch insists that acid rain and many other environmental hazards simply require more study before the government can get involved. Meanwhile, EPA's research and development program, which will pass judgment on these and future dangers, is suffering budget cuts approaching 50 percent.

"Superfund," created at the end of the Carter administration, allowed $396 million to be spent this year on cleaning up abandoned toxic waste dumps. After 20 months in office, Reagan's EPA has spent only about $80 million, much of it in the last three weeks of this fiscal year. The agency boasts a grand total of eight cleanup operations out of more than 160 dumps that Gorsuch herself has said pose immediate and serious health threats. Rep. James Florio has a different count. He says only one chemical dump has been cleaned up all year—a fitting symbol of EPA under the Reagan administration.

How Do You Spell Relief? M-O-N-O-P-O-L-Y

While earlier administrations maintained or expanded health and safety regulation as new dangers were discovered, they also steadily reduced so-called economic regulation, which historically has been just an excuse for price-fixing and other non-competitive behavior that costs the public billions.

The Reagan administration may seem to think deregulation is a good thing, period. But a closer look shows that for all its supposed enthusiasm for the free market, some industries are benefiting from even more protective regulation than they have in the past.

This inconsistency should not be overstated. Deregulation of energy is slowly proceeding; likewise banking and telecommunications (although the Federal Communications Commission has not agreed to shorten the kilohertz spacing on AM radio bands to allow more stations and thus more competition). The commercial bus industry was deregulated in September, over the objection of almost no one. If the Federal Aviation Administration's rigid scheduling of airport landings and take-offs during the air traffic controller shortage has had the effect of partially re-regulating airline routes (and, by the way, enhancing safety), that is not the fault of the deregulators. The Civil Aeronautics Board continues to cut requirements and paperwork.

But in almost all of these areas, the Reagan administration has made, if anything, even less progress than did Jimmy Carter. And in other industries—trucking, maritime, the professions—many of the steps taken have been decidely *away* from deregulation and increased competition.

In the trucking industry, Reese Taylor, the Teamsters Union choice for chairman of the Interstate Commerce Commission, came to office determined to *re*-regulate. Several of the commission's early decisions had the effect of disallowing rate reductions, limiting access to new routes, and preventing new companies from entering interstate markets. After reportedly meeting with White House aides anxious to apply deregulation more consistently, Taylor has begun to make noises about deregulation, but he remains miles behind his Carter administration predecessor, Darius Gaskins, who first introduced the idea of fair competition to the trucking industry.

As for the Federal Maritime Commission and the Federal Trade Commission, both agencies have pulled back from breaking up monopolies in the industries under their jurisdiction. The FTC will not pursue restraint of trade actions against the American Medical Association and other professional groups that thwart competition by preventing advertising. And the FMC was behind recently passed legislation that legitimized American participation in international shipping agreements that limit access to the industry.

The perpetuation of such self-regulating cartels should be considered pro-regulation in nature. Likewise, intervention *against* monopoly interest should be considered *de*-regulatory. Thus, antitrust action aimed at increasing competition should be chalked up in the deregulatory column. But over at the justice department and the Federal Trade Commission, where antitrust activities have ground to a halt, all's quiet on this deregulatory front. —*J.A.*

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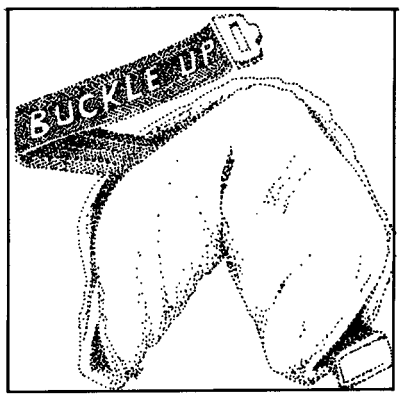
Auto Safety: The Sissy Factor



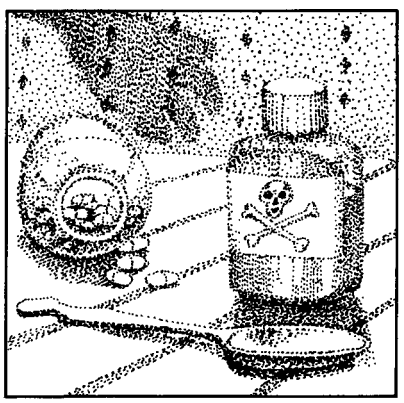
Nothing better illustrates the Reagan administration's misguided enthusiasm for deregulation than its enmity for the airbag. A year ago, National Highway Traffic Safety administrator Raymond Peck scrapped a regulation to force automakers to equip cars with airbags, automatically fastening seatbelts, or other "passive restraint" systems. He then went on the road exhorting people to wear their seatbelts.

A federal appeals court later overruled the decision, finding it was at odds with any fair cost-benefit analysis and that it blithely ignored the results of ten years of federally funded research. Passive restraints would prevent an estimated 10,000 deaths and 60,000 serious injuries a year, not to mention save billions in health care costs. Airbags have been greatly improved in recent years and their total cost would have been just $100 a car.

Conservatives believe that passive restraints somehow impinge on personal freedom and that "paternalistic government" should stay in the backseat where it belongs. But the argument is perverse. Would they have the government do nothing to stop a smallpox epidemic? Of course not. By 1990, an estimated 70,000 people will be dying annually on the roads. Auto safety is hardly a peripheral public health problem.

At least the administration is consistent. Peck's approach reveals the same basic ignorance of the way people actually behave as does the plan to depend on American businessmen to eliminate all safety violations on their own. The seatbelts that Peck wants in place of airbags and automatic seatbelts are easily detachable. What Peck doesn't understand is that the only restraints that are going to make a difference in saving lives are the ones that won't make an 18-year-old feel like a wimp when he's out on a big date—namely, the ones he has no choice about. Refusal to buckle up, whether because of such macho feelings or simple impatience, is as American as baseball, hot dogs, apple pie, and Chevrolet. If the government can keep tubercular pork out of hot dogs, it can keep our heads out of windshields.

FDA: Oraflexible



At the Food and Drug Administration, deregulation means reducing the time and trouble it takes to approve new drugs for the market. Until this summer, the FDA under Arthur Hull Hayes Jr., a respected pharmacologist, was moving forcefully to speed such approvals. In 1981 it approved 27 new products, 15 more than in 1980 and the most since 1962. Richard Schweiker, secretary of health and human services, this June outlined a new FDA review process that would speed approval even more. The process would allow drug companies to submit short summary reports in place of thousands of pages of detailed technical data and would permit the use of foreign test results to help obtain approval.

Nothing necessarily to panic about there—until Oraflex came along. This summer the anti-arthritis drug was found to have killed more than 60 people in Great Britain. For three months, the FDA let it be marketed in the United States; on August 4 its manufacturer, Eli Lilly and Co., responded to public pressure and withdrew the drug worldwide. Shortly thereafter, a House subcommittee chaired by L.H. Fountain chastised the FDA for failing to enforce its own rules on reporting adverse drug reactions. It turned out that an FDA staff recommendation pointing to "important adverse findings" about Oraflex had

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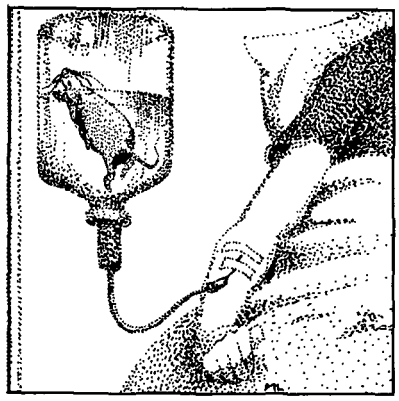
been sitting at the agency for nine months. Speeding up the review process will hardly ease fears that more Oraflexes may lie ahead.

Hayes also has scuttled a three-year pilot program that would have provided consumers with package inserts spelling out the uses and potential side-effects of ten widely used drugs. The FDA claims the costs would outweigh the obvious benefits of this requirement—even though the expense could be easily borne by an industry that is one of the most profitable in America.

Nursing Homes: "Cross Your Heart?"



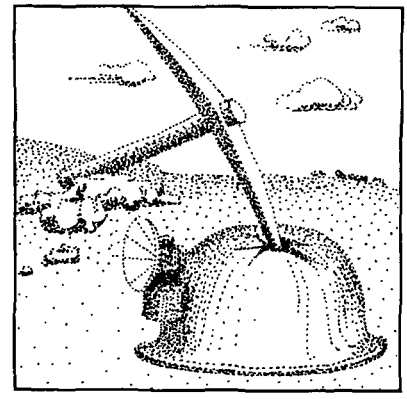
Someone in the Reagan administration must have had to work overtime to figure out how the federal government could reduce its regulation of America's nursing home industry—it was already so minimal. Even though much of industry's money comes from federal medicare and medicaid funds, the federal government delegates to state agencies responsibility for inspections, requiring only that they meet certain minimum standards.

But last May, the Health Care Financing Administration offered a deregulatory plan that would allow the states to use a nursing home industry organization, the Joint Commission on Accreditation and Hospitals, to perform the certification. The JCAH's reputation for policing this notoriously scandal-ridden industry is hardly reassuring. According to the *Philadelphia Inquirer*, California is planning to end a six-year arrangement with JCAH because its certification work has been deemed inadequate.

The federal proposals would also require inspection only biannually instead of annually, and permit inspectors to forego personal visits in favor of using the phone or mail when certifying corrections of violations. ("So you got the rats out of the I.V. machine. Promise?")

Congress has imposed a six-month moratorium on the imposition of the new rules, but the battle is likely to resume next year.

Mine Safety: Underground Economies



More than 100,000 coal miners have died on the job in this century, but since the early 1950s, when mine safety regulations by the federal government were first introduced, that number has dropped steadily. In the 1970s, underground mines produced 28 percent more coal with 49 percent fewer fatalities than in the 1960s.

Then came 1981. Last year, despite a 72-day strike at most unionized mines, deaths caused by mine cave-ins were up 25 percent, and total mining deaths reached 155, their highest level since the disaster-plagued year of 1972.

This was also the year that a new administrator, Ford B. Ford, took over at the Mine Safety and Health Administration. Ford, caught up in the Reagan deregulatory mood, cut inspectors by ten percent, inspections by eight percent, and citations by 15 percent.

Were the increased accidents a coincidence? Ford thinks so, and, undeterred by last year's grisly record, has proposed that the number of annual inspections required by law be cut in half. He also hopes to institute an honor system known as "self-certification" to allow mine operators to slap their own wrists without the help of an inspector. This would take the place of many follow-up inspections, the assumption being that when a violation has been found the owners can be trusted to take care of it.

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Coming Soon: the LICENSED LOBBYIST

by Bill Keller

Matt Freedman

A few months ago former Missouri congressman Bill Burlison placed an ad in a Capitol Hill neighborhood weekly newspaper: "WANT AN ATTORNEY? At a reasonable fee. One block from Hill. Consult a former Member by appointment." The ad may have left some readers with the impression Burlison was peddling himself as a bargain-basement divorce lawyer. Not so, but he evidently preferred to risk a little dignity rather than advertise more explicitly what he does—he lobbies.

Bill Keller is a reporter with the Washington bureau of the Dallas Times Herald.

Burlison's ad was a lingering symptom of an age-old tendency among lobbyists to slink around their profession. Those who could hid behind a law degree. The others resorted to titles like "legislative representative," "public policy advocate," "government relations specialist," "consultant," and similar euphemisms that have served the lobbying trade the way "escort service" serves an older profession.

But anyone who spends much time these days around lobbyists has noticed a dramatic change in self-image. As Robert M. Kaus observed recently in *Harper's*, many of Washington's successful

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lobbyists—Robert Gray, Charles Black, Tom Korologos—aren't shy about boasting of their prowess. While Kaus may be exaggerating in saying that "there's no shame anymore," the fact is, lobbyists don't cringe like they used to. Maybe it's the invigorating atmosphere of Reagan's Washington, or maybe the number of lobbyists, estimated at 15,000, finally has hit a sort of critical mass. Whatever the cause, lobbyists are starting to sound as if they've all been visiting a therapist of the "I'm Okay, You're Okay" school.

As they grope for a new measure of self-respect, it's only natural that lobbyists start thinking about winning over the rest of the world. As things stand, lobbyists are on that awkward plateau shared by chiropractors and sex therapists, who believe in their own worth yet still are surrounded by agnostics. They have gone from feeling abashed to feeling misunderstood. However much the lobbyist feels entitled to the public's esteem, society persists in regarding him as a creature with the appetite of a termite and the credibility of a mafioso.

And that's where the American League of Lobbyists comes in.

Boggs, Republican insider William Timmons, and others—have lent their prestige to the enterprise to justify viewing it as a vanguard.

ALL's most ambitious attempt to buff some luster into the tarnished image of lobbying is its effort to create a code of ethics. A draft of the code is now circulating and will be debated at the league's November convention. The draft is a little vague, striving for an inspirational tone rather than an itemized list of proscribed behavior. There is no vow renouncing the practice of priming the pumps of Congress with millions in campaign cash, no interdiction against trading on one's friendships and connections, and no promise of public disclosure.

Still, the code promises to serve its purpose. Imagine the satisfaction a chemical company lobbyist no doubt will feel when he returns from a day of trying to roll back the hazardous waste dumping laws, looks up at his wall, and sees his pledge to "Endeavor at all times to place the public's interest above all others, giving loyalty to the highest ethical principles and to the nation, above loyalty to employer, client, or personal interest."

"Licensing lobbyists would mean not just 'peer review' but more specialization: 'Personally I don't do Democrats, but we have an excellent Moynihan man in our firm.'"

ALL (it is only coincidental that the acronym is also the name of a detergent) has set out to convince a benighted public that lobbying is not a sleazy, backroom effort to corrupt the lawmaking process, but an indispensable and wholly honorable attempt to ensure that Congress operates in the public interest. In ALL's eyes, the lobbyist's role falls somewhere between that of defense attorney and civics teacher.

True, some of the group's activities make you wonder how seriously the members take their task—like the T-shirts they pass out to their luncheon speakers emblazoned with the slogan "Lobbyists Do It With Persuasion." That hardly seems the way to put the word "lobbyist" on a par with, say, "Fulbright Scholar." Nevertheless, enough high-profile practitioners of the trade—tax lobbyist Charls Walker, superlawyer Tom

Walker launched the ethics code proposal last year in a speech to the league's first convention. Walker's vision did not stop there. He conjured up for the league a future in which lobbyists will study their craft in school, be accredited by their peers, and—in the manner of the American Medical Association or the American Bar Association—even discipline themselves. This last prospect has already been enshrined in the tenth commandment of the draft ethics code, wherein the lobbyist promises to "preserve the public's trust [sic] and safeguard the lobbying profession by promptly and fully reporting all violations of these principles to the designated officials of the American League of Lobbyists."

In short, Walker proclaimed that ALL's charge is to raise lobbying to "the status of a full profession"—the kind of status that generates public

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envy, respectful treatment in the press, and, of course, enough income to recommend estate planning as a serious avocation.

Of course, some spoilsports may protest that making lobbying more "professional" is exactly what the government does not need. They would prefer a little more spontaneous, amateur involvement in national affairs, and a lot fewer paid experts prowling Capitol Hill like salesmen with sample cases.

But that is nostalgia talking. People in practically every other vocation in America, from mortuary scientists to massage therapists, already proudly display the trappings of professional status. Lobbyists are far behind the times, and if they're going to catch up, they can't be dawdling. That's why, if anything, Walker's speech didn't go far enough.

ALL's second convention will be held in November. If this year's keynote speaker looks closely at the accomplishments of other high-status professions, he should be able to propose even bolder steps toward a prestigious future for lobbyists. I have some suggestions.

1) THE CLOSED SHOP.

Remember Paula Parkinson, the green-eyed blond who shared a golfing cottage with several members of Congress and then made a cottage industry out of the story? The one who posed for *Playboy* wearing a garter belt, a scarf, and a briefcase? Paula Parkinson, the lobbyist?

Never mind that she had one measly client (the short-lived Committee for Equitable Crop Insurance) and handled only one bill (unsuccessfully, at that). She said she was a lobbyist, the newspapers said she was a lobbyist. Therefore, what she did—which included videotaping herself in the sack with a congressman, she claimed—must have been lobbying.

Nothing cheapens the image of lobbying so much as the fact that any former under assistant to the deputy director of the Bureau of Bicycles or any third-echelon Reagan campaign gofer can become a lobbyist simply by calling himself one. He doesn't even need a client. For that matter, he doesn't really need to come to Washington. Joe H. Galis is a lobbyist duly registered with the Clerk of the House to lobby on "prisoner rights, prison reform, and prison law libraries." Galis is an inmate at the Avon Park Correctional Institution in Florida.

Sure, any American is entitled to petition his elected representatives for redress of grievances, as the Constitution so quaintly puts it. He is also entitled to a fair trial and basic health care. But do we let any Bozo off the street hang out a shingle or walk into a hospital and wield a scalpel?

Of course not. The ABA and AMA would never stand for it. They have devised several imposing hurdles to make sure chores that easily could be handled by a nurse or paralegal are reserved for the annointed. This is one of the distinguishing features of a profession. Barriers that in a mere business might be called "restraint of trade" here are called "professional standards." Lobbyists can learn from this.

As a small first step, the league might consider borrowing an idea from the National Association of Realtors, which has registered the word "Realtor" as a trademark of their organization. I admit this has not yet won real estate salesmen universal esteem, but it has served a purpose. After a few brusque letters from the association, reporters have learned that "Realtor," like "Xerox," is not a word to be used casually.

Next, the league should begin a campaign to see that no one lobbies without a license. (Surely this is a modest proposal in a society where most hairdressers must be formally credentialed.) The league would administer a stringent peer review to make sure the prospective lobbyist would lend distinction to the profession, and could afford the hefty licensing fee.

A suitable aptitude test for would-be lobbyists might be constructed like a triathlon. After taking notes on six hours of numbingly insignificant committee hearings, the aspirant would be required to race through a series of five political fund-raising parties without spilling shrimp sauce on his tie or keeling over drunk, then finish up with the all-important oral event. In that finale, the prospect would be judged on his poise as he attempted to convince a panel of politicians that cruelty to animals should be tax deductible.

The more rigorous the route to the lobbying profession, by the way, the more lobbyists will feel justified in charging exorbitant sums for their services. Ask any doctor just out of residency about this.

With their mastery of the legislative process, lobbyists should have no great difficulty getting Congress to pass a law limiting access to Capitol Hill sanctuaries—the committee rooms, the offices, and the lobbies from which lobbyists take their name—to those who are ALL-certified. At the same time, the league might undertake a public relations campaign aimed at getting lawmakers to resist importuning from quacks who lack proper credentials. Ultimately, the league may want to get

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a handle on the proliferation of "grass-roots" lobbying. The tendency of citizens to write to congressmen in their own words is a demeaning end run around the lobbying profession.

Fortunately, the signs are that this tendency gradually is being brought under control through a branch of lobbying known as "constituency mobilization." Lobby groups ghost-write letters for thousands of constituents to pass along to their elected representatives, or offer a toll-free number ordinary folks can call to have a telegram sent to Congress on their behalf. Within a few years, an individual citizen who approaches his representative on his own will be viewed with the same shock and scorn as a defendant who approaches the bench without counsel, or a patient who proposes to remove his own appendix.

2) NOBLESSE OBLIGE.

You may well ask, might not this present a rather messy conflict with the Constitution? Doesn't the average citizen have a right to influence his congressman? What about the poor schlemiel who can't afford to hire a lobbyist? Good questions. But fortunately the legal and medical professions already have programs lobbyists can emulate. Following the model of public defenders and public hospitals, the American League of Lobbyists should consider promoting government-funded lobbying clinics, where the poor can go for second-class representation. Idealistic young lobbyists would serve an apprenticeship in these clinics, reimbursed through the new federal Lobby Stamp Program.

Lobbyists might also adopt the lawyers' concept of pro bono work, donating some of their time to lobbying on behalf of the less fortunate among us. Think how the league's image will be enhanced if its members spend a day each month lobbying for child nutrition programs or tougher drunk driving laws. Making this transition won't be as difficult as you might think, since lobbyists are no strangers to charitable work. Look at the "steering committee" of any congressman seeking reelection, and you will find this hardy band of volunteers consists mainly of the very lobbyists who practice their art before his committees. By channeling some of this selfless energy into causes the public will recognize as worthy, lobbyists also will have an answer to those wise-ass critics who suggest they are selfish and overpaid.

3) CONTINUING EDUCATION.

Any serious profession expects its members to keep up with the latest trends in case law or medicine. At ALL's new Institute for Advanced Policy Stimulus, lobbyists who have grown a little rusty in the techniques of persuasion can brush up on their skills, master new tactics, and acquire an impressive array of certificates for their office walls. Rhetoric-rehabilitation courses will remind them of essential vocabulary—"incentives" (never "tax breaks"), "revitalization" (not "bailout")—and rehearse them in such time-honored statements as, "Shucks, nobody buys a congressman for a $5,000 campaign contribution. At most, it gets you a chance to get in and present your case."

The National Rifle Association and the American Association of Retired Persons can give seminars on winning through intimidation. Lobbyists can also catch up with modern direct-mail techniques that enable them to inundate Congress with support letters from constituents who haven't the faintest idea what they're advocating. (During its fight against new cigarette taxes this year, the Tobacco Institute managed to produce letters from people who were *actually dead.*)

These continuing education courses will provide an opportunity for veterans to pass along their skills, for an appropriate fee. Just as young pitchers pay Gaylord Perry for tips on discreet spitballing, young lobbyists might fork over plenty to hear tax lawyer Ernie Christian of Patton, Boggs and Blow explain how he helped persuade

"There is no more controversial figure in Washington than Michael Pertschuk."
—Senator John Danforth
Michael Pertschuk, former staff director of the Senate Commerce Committee, then chairman and presently commissioner of the FTC, and now author of an insider's account of how government really works...
REVOLT AGAINST REGULATION
The Rise and Pause of the Consumer Movement
$12.95 at bookstores
University of California Press
Berkeley 94720

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Congress to enact the tax-swapping device called Safe Harbor Leasing.

4) WEED OUT THE GENERALISTS.

At this point, our keynote speaker will want a chance to point proudly to something lobbyists are beginning to do right. Here it is:

Young medical students quickly learn that general practice is not the route to prestige, which explains why we have a national glut of neurosurgeons and cardiologists and a short supply of general practitioners. You will find the same tendency in law, education, and journalism. And increasingly, you will find it in lobbying. There are now lobbyists who specialize in taxes, lobbyists who specialize in mass mail, lobbyists who specialize in bureaucrats. There are lobbyists (like former Carter aide Anne Wexler) who specialize in "coalition-building," which consists mainly of assembling teams of other specialists.

Some recent lobbying teams—such as those battling this year over antitrust and copyright amendments—resemble subcontractors massed at a construction site. And according to Paul Taylor of *The Washington Post*, one textile firm involved in an antitrust bill hired a Pennsylvania Republican party official, William A. Meehan, solely to lobby a single wavering senator—Arlen Specter, a Republican from Pennsylvania of course.

This is a trend ALL will want to encourage and nurture. Just think how impressed a client will be when his lobbyist tells him, "Personally, I don't do Democrats, but we've got an excellent Moynihan man in our firm."

5) GET RID OF NO-FAULT LOBBYING.

No matter how many times lobbyists insist they are serving the public interest, they have a tough time shaking the suspicion that, in reality, most will rent their persuasive powers to any unprincipled corporate interest that can pay the price.

One way to dispel that cynical myth is to give the lobbyist a personal stake in the policies he advocates. A doctor who prescribes the wrong drug or a lawyer who lets an innocent man go to prison is subject to at least a serious loss of face, if not civil charges of malfeasance. This gives a subtle but significant boost to the stature of these professions.

Lobbyists prescribe legislative remedies, but they are not held accountable for them. When a congressman hears a lobbyist say, "I wouldn't be proposing this if I didn't sincerely believe it was in the best interest of the nation," he often assumes this is code for, "I've got it all figured out how you can dress this turkey up as a high-sounding reform in case some constituent asks about it." But suppose every piece of legislation had a short clause appended naming the lobbyists who promoted it and giving the public automatic standing to sue them for any harm that resulted? The consumer who found his hamburger laced with rat droppings could sue not only the butcher who sold it to him but the lobbyist who succeeded in gutting the packing plant inspection laws.

Sounds risky, you say? No problem. Lobbyists can avoid serious risk the way doctors and lawyers do, by raising their fees and buying malpractice insurance.

6) NO MORE FREE LUNCH.

Imagine that your lawyer has just spent an hour straightening out your income tax. At the end of the session, he shakes your hand and says, "By the way, my firm would like to show its appreciation by making your next mortgage payment for you. And if you and the wife aren't busy next week, we'd like to fly you to Palm Springs, all expenses paid, to fill you in on some new tax shelters."

An absurd scenario? This is exactly the way lobbyists work. California Senator Alan Cranston (himself a former lobbyist) recently told an ALL gathering that "lobbyists are in fact an extension of our congressional staffs, providing information and ideas that are vital to the molding of legislation."

Exactly. And yet the politicians—the real beneficiaries of this hard work—not only get these services free, they expect to be rewarded with campaign donations, honoraria, and fact-finding trips—just for listening. A lobbyist will spend a grueling lunch hour sharing his research with some ungrateful congressman or committee counsel *and then top it off by buying the lunch*!

It's time lobbyists demand that members of Congress pay for services rendered. The first few times a lobbyist presents a congressman with his bill or insists that a committee staff director pay his own greens fee, there will be some sore feelings. But eventually, lobbyists will be even more respected for this. Politicians will say, as medical patients and legal clients have learned, "Anybody who charges this much must be a real pro." ■

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TIDBITS AND OUTRAGES

THE RUSSIAN SKI FORCE WAS LAST SPOTTED SOMEWHERE IN THE VICINITY OF OSHKOSH

The "End-of-the-Fiscal-Year Spending Spree," whereby agencies spend all that's left in their coffers just before October 1 for fear of getting less money the next year, continues. Not surprisingly, this year more examples than usual come from the defense side. *The Washington Post* reported, for instance, that during the last two weeks of the fiscal year, the defense department awarded Analytical Assessments Corp. of Marina del Rey, California, $127,259 to study Israeli perceptions of U.S.-Israel relations, and the army spent about $250,000 to have a ski-hill snow-making system built for Fort McCoy, Wisconsin.

THE ESSENCE OF WASHINGTON

The book, *Reagan's Ruling Class*, reports that in May 1981 Food and Drug Administration chief Arthur Hull Hayes spoke to the Proprietary Association, a drug industry group. Hayes pledged cooperation between the agency and the industry and took note of several successful meetings that had taken place. "One of the most useful and enjoyable of those meetings, by the way, was with your president, Jim Cope," Hayes said. "He is even helping me with the toughest job before me—finding a house I can afford."

A Public Service Message

The latest telephone book for Augusta, Maine lists 622-6171 as the number to call for the Farmers Home Administration, the Civil Service Commission, the Department of Labor, and many other agencies of the federal government. When you call that number, a recording says, "The number you have reached, 622-6171, has been disconnected. No further information is available about 622-6171."

(For an example of similar government accessibility at the state level, see "Tilting at Windmills.")

How To Assure A Budget Cut

Recently, the coast guard took Capitol Hill and White House staffers on a demonstration cruise aboard the cutter, Gallatin. *After moving 361 yards, the* Gallatin *ran aground, breaking its propellers and blocking traffic on a drawbridge above it.*

AND FOR BEATING THE CHILDREN...

The Mahtmedi, Minnesota school district has approved a new policy allowing teachers to receive continuing education credits for striking—one credit for each day they stay off the job.

According to the *Government Union Critique*, a newsletter on public sector unionism, up to 33 strike credits can now go toward the 120 credits needed every five years for recertification. "I understand this is a controversial concept," says Ken Stevens of the Mahtmedi Education Association, "but strikes are a learning experience."

THAT'S MS., BUSTER, AND DON'T YOU FORGET IT

A fund-raising letter from the Republican Presidential Task Force signed by Senator Howard Baker was sent recently to Media Basics, Inc. of New York City. The salutation reads: "Dear Mrs. Inc:"

MORE TO PRAY ABOUT

The Reagan defense budget increase will mean that the navy chaplain corps will increase by one-third—to 1,200.

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Taking America To The Cleaners

by Phillip Longman

For most Americans, one of the small consolations of the 1970s—that generally dreary decade of scandal, malaise, and national decline—was the seeming demise of Youth. About the time of the OPEC oil embargo, Youth went to law school, or else into the woods, and hasn't really bothered anyone since.

Herein lies a great paradox. For the *sturm und drang* of generational conflict vanished from American life just when the young finally had true cause not to trust anyone over 30. This disagreement has nothing to do with anything so trivial as "lifestyle" or "higher consciousness," but much to do with how the responsibilities and benefits of American life are shared. Put bluntly, the old have come to insist that the young not only hold them harmless for their past profligacy, but sacrifice their own prosperity to pay for it. And the beauty of it all, at least for the old, is that so far the young have muttered barely a word of protest.

Suffice it to say that by the older generation I refer to those who survived the Depression and World War II to then enjoy the longest sustained period of prosperity in American history. By the young I generally mean those under 30; as for those between the ages of 30 and 50, which includes the first contingent of the much-heralded Baby Boom, their interests are so intertwined with both generations that they have little role in this conflict.

It is upon the youngest that the burden of this new generational politics squarely falls. For with the decline of Youth has come the arrival of an entirely new era in American life, one in which the circumstances of one's age—as much as one's race, sex, or social class—have become a prime determinant of one's economic destiny and political self-interest. If you doubt this, look no further than to how the federal government spends its money.

This year 28 percent of the federal government's outlays will go to social security, medicare, and other transfer payments for the 11 percent of the population over 65—all of that disbursed regardless of need. More than $10 billion in social security checks will go to elderly households whose income already exceeds $25,000 annually; 130,000 of those households, according to the Current Population Survey of the Bureau of the Census, have income exceeding $75,000. The federal treasury will forego $2.4 billion to give everyone over 65 an additional income tax deduction, and another $500 million for special tax breaks when those over 55 sell their homes. Indeed, American life is filled with such entitlements, from free health care for all veterans over 65 to reduced bus fares for seniors. All share one thing: eligibility is determined not by one's need but by the date on one's birth certificate.

Those searching for an historical antecedent to all this might recall the scheme of Dr. Francis E. Townsend. In the early 1930s Townsend proposed that everyone over age 60 be given a $200-a-month pension—a princely sum by the standards of the day. Behind a justifiable concern for the impoverished elderly of the period lay a far more

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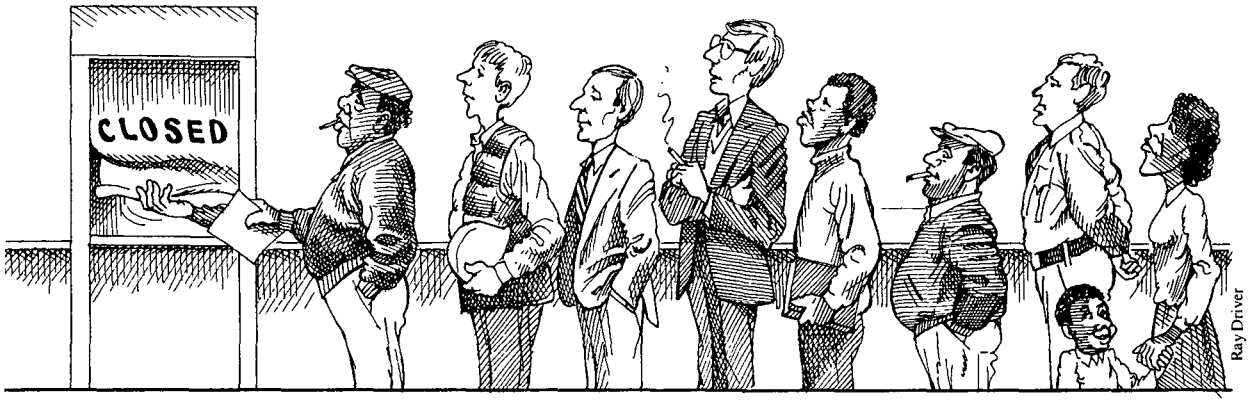

radical notion: the mere act of surviving to an arbitrary age entitled one to special reward. One's success in life didn't matter; in Townsend's brave old world John D. Rockefeller would be just as entitled to his $200 as the poor widow of a West Virginia coal miner.

Though the rush of enthusiasm that greeted Townsend's proposal was not enough to overwhelm Congress, lawmakers incorporated the plan's general premise into the Social Security Act of 1935. Few were then able, or willing, to ponder the full implications of the act. For example, though social security would disburse over $102 billion in 1980, the Roosevelt administration projected a 1980 cost of just $1.3 billion. Nonetheless, in the next half-century the notion of generational entitlement would spread and gain respectability, insinuating itself into almost every facet of American life.

The Twilight Moan

Once upon a time the idea of generational entitlement might have made some sense. In 1959, for example, 27 percent of all elderly households lived below the poverty line. Retirement truly was a terrifying prospect for many American workers. But today only 7.6 percent of all elderly households fall below the poverty line, a figure that takes into account not only income but the economic value of the elderly's subsidized health care, pensions, various tax exemptions based on age, and the value of property and other financial assets.

Today the elderly are not only as well off as the rest of America, during the last decade they were the only major segment of our society that stayed abreast of inflation. This is because 70 percent of America's elderly own their own homes—thereby insulating them against a major component of inflation, high housing costs. Another reason is that most pensions are indexed to the cost of living, which has gone up faster than the salaries of people of working age. Contrary to a popular liberal assumption, "elderly" and "needy" are no longer synonymous.

That every old person deserves security from poverty is indisputable, for we owe this to all our citizens. Almost a third of the nation's elderly single women, for example, try to eke out an existence on less than $4,000 a year—a circumstance made all the more desperate by the natural infirmities of old age and the loneliness that so often accompanies it. Such Americans deserve not only our understanding, but the public's subsidy. With this the young should have no quarrel.

That elderly citizens deserve an automatic reward solely for having reached a certain age is, however, a different credo, and one at odds with the egalitarian principles on which American democracy is based. If, after all, one falters before reaching age 65, does he deserve any less help from society? Yet a handicapped young adult dependent today on the government's SSI program receives just $284 a month. Had the same person managed to complete a career before becoming disabled, he could be receiving as much as $729 in social security.

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As for those who argue that the elderly's entitlements are "insurance" and not "welfare," it is crucial to understand that however much this distinction protects certain sensibilities, it is more semantic than real. It is also a distinction the nation no longer can afford to make. Social security, for example, is primarily financed by an additional tax on current workers who must also pay federal income tax. Indeed, the average social security beneficiary today receives in only 19 months what he or she contributed in a lifetime. Using the social security trustees' own demographic and economic assumptions, economic consultant Horace W. Brock has calculated that to realize the same level of retirement benefits, today's young workers must force their own children to bear a tax burden three times as large.

The current social security system thus resembles not so much an insurance scheme as a pyramid game, in which those who arrive early get far more than they pay in. Later arrivals face the prospect of getting much less, or nothing at all. Of course, any change in this system must pay decent regard to the aroused expectations of those now retired or nearing retirement. But the longer necessary reform is postponed, the more inevitable the result: the relegation of today's young to an old age that is truly desperate and impoverished.

Inherit the Whirlwind

The result of these unexamined claims of generational privilege has been to replace one injustice, the poverty of some of the old, with another—the burdening of all the young. If this inequity went no further than how the federal government divided its largesse, it might be tolerable. The young might accede to the selfish demands of their elders were they assured that their own children could be made to suffer a similar extraction some day on their behalf. As in fraternity life, we often find it tolerable to submit to outrageous and unnecessary humiliation as long as we are convinced that we can thereby wreak a commensurate amount of misery on those who follow.

Unfortunately today's young can make no such assumption, and herein lies the central injustice of the new generational politics of the eighties. In enforcing their claims of generational privilege, the old undermine the younger generation's opportunity to enjoy the prosperity of its elders. That portion of the nation's limited wealth squandered on its unneedy old must be subtracted in equal measure from what can be invested toward future economic growth. The magnitude of these entitlements thus compromises the young's very ability to finance them, a conundrum made far more unjust by yet another burden: the unpaid bills the old have left behind.

The magnitude of this encumbrance is unprecedented in American history. The debts the old have left are revealed in a federal budget deficit that requires $100 billion a year just to repay interest costs; in a social security system that will require several hundred billion dollars in the coming decade to stave off bankruptcy; in a decaying infrastructure of streets, bridges, water systems, and factories that will require at least $1 trillion to repair and whose dilapidated condition also threatens our economic future. Between the various transfer payments to the elderly and the interest on the national debt, the young must suffer almost one of every two tax dollars they now pay the federal government to support the older generation's past and present standard of living.

Far more pernicious is the nature of this debt. Consider one more statistic from history's ledger. Since 1964 the accumulated debt of American government, industry, and private households has risen almost five-fold, from $1.2 trillion to more than $5 trillion. At the same time, the value of the nation's productive facilities—its steel mills, oil wells, auto factories, and other job-producing enterprises—has merely doubled. As Henry Kaufman, an economist for Salomon Brothers, has noted, since 1964 Americans have borrowed more than two dollars for consumption to every dollar of new wealth they apparently created.

Having lived beyond its means, the nation has left to its young its decaying cities, its obsolete factories, its unsound pension systems, and its other unpaid bills. Worst of all, it has left the values and expectations of an era in which affluence seemed automatic. The young not only feel entitled to the same prosperity; many of them expect it should come with even greater ease. Witness the desire for jobs that are both well-paying and "meaningful," the latter term usually referring to those careers furthest from productive enterprise: the law, communications, and consulting, to name a few. Had the older generation invested its wealth in new plants and equipment at a rate competitive with the Japanese, or even equal to that of American industry in the past, I very much doubt such bureaucratic careers would have commanded so much respect and high salaries, relative to the engineers, scientists, and entrepreneurs on which our productive growth depends.

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photo by John Vachon, courtesy of the Library of Congress

The roots of generational entitlement: The Townsendites of the 1930s demanded $200 a month for everyone over 60.

So the prosperity following World War II was part real, part illusory. The older generation enjoyed more than its exertions justified, borrowing from the future to subsidize current consumption. How this debt was incurred reveals much about the injustice that now exists between the generations. For during the postwar era, the greater share of the nation's capital has gone, not for rebuilding our industries or maintaining our public works, but for financing single-family home mortgages.

It is useful to recall that in 1946 the majority of Americans were still renters. Within the space of one generation, more than two-thirds of the nation realized the dream of homeownership. Through an assortment of devices and regulations designed to compel investment in home mortgages at the expense of other productive ventures, the nation managed to divert an increasing share of its available credit into single-family housing. The resulting suburban growth has been hailed as a social triumph. Unfortunately, its inevitable collapse has denied the young access to affordable property—largely by virtue of their having come too late on the scene.

The major player in the rise and the decline of American homeownership has been, not surprisingly, the federal government. The suburban miracle symbolized by Levittown—$7,990, no money down—could never have happened had not the government decided to get into the business of subsidizing mortgages, thereby providing for millions what they could otherwise not have afforded: a home of their own.

Like so many government efforts that later went awry, this one started with good intentions, as a temporary measure on a relatively small scale. The genesis even can be traced to a specific day—July 22, 1932, the day the Federal Home Loan Bank Board was born. Its progenitor was none other than that hapless president whose name will be forever synonymous with government tinkering in the face of national catastrophe: Herbert Hoover.

Hoover proposed the Bank Board at the nadir of the Depression, a time when almost 1,000 homes were being forced into foreclosure each day. The long-term mortgage, that happy instrument that later made possible the modern definition of what it means to be middle-class, was still unknown; most homebuyers paid half the purchase price as a down payment and repaid the remainder in three to five years. The Depression made this repayment schedule too onerous for many mortgage holders, but it was not their plight that sparked Hoover's concern so much as that of the nation's 12,000 savings and loans. They had little enthusiasm for repossessing homes; they instead wanted money to pay their own bills.

The Bank Board allowed savings and loans to borrow money from commercial banks, using existing (often shaky) mortgages as collateral. The banks cooperated because they were guaranteed repayment by the Bank Board, which had a $125-million credit line with the treasury. For the first time in American history, the federal government was using its credit to protect American homeowners from the hazards of the marketplace.

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Like so many of Hoover's paltry initiatives during the Great Depression, the Federal Home Loan Bank Board became the foundation for a far bolder and more imaginative program under Franklin Roosevelt. In June 1934 came the Federal Housing Agency, which made the 30-year, fixed-interest mortgage an integral part of American life. The FHA itself did not loan money, but instead guaranteed that loans made for homes would be repaid. This not only vastly increased the number of new home mortgages written by savings and loans, but pushed interest rates down by reducing the risks of lenders. The effect was to make it more attractive to borrow money to build a house than to start a business.

Houses That Haunt the Young

After World War II the government's efforts to encourage and subsidize homeownership mushroomed. Along with the FHA came the Veterans Administration's "readjustment" loans, which offered guarantees to the lender so attractive that down payments weren't required. Both the VA and FHA programs were resoundingly popular. In 1935 the FHA guaranteed 77,000 loans; in 1950 the figure was 342,000. The VA program hit its peak in 1955, with 650,000 mortgages issued that year. During the 1960s additional government-sponsored support for housing such as the Federal National Mortgage Association (Fannie Mae) would help divert even more capital into the mortgage market—over $350 billion just since 1968.

Across America, new homes went up by the millions. And as new suburbs with names like Cedar Hills and Shady Acres rose out of abandoned fields, they required lumber, concrete, sheetrock, appliances, and insulation. This demand in turn employed loggers, mill workers, plumbers, electricians, construction workers—not to mention the autoworkers on whose cars the suburbs depended.

But behind the nation's blush of prosperity lay disturbing signs that this homebuying binge could not sustain itself. Increasingly, mortgage money was going not to build new homes, but to purchase existing ones. During the 1970s total mortgage debt in America ballooned by 200 percent, but all that extra capital flowing into real estate created just a 12-percent increase in new housing construction. The main beneficiaries were members of the older generation, who suddenly found themselves making huge profits on the homes the government helped them buy. Leveraging their equity (now substantially higher as a result of the housing boom) with cheap second mortgages, they were trading up to larger and larger homes. Between 1950 and 1980 the size of the average American home nearly doubled while family size decreased. Mortgage money that once produced more jobs for construction workers and loggers while rippling through the rest of the economy, increasingly was finding its way into the purchase of *existing* housing—at much higher prices.

But for those not yet on the homeownership ladder, the bottom rung was getting further and further out of reach. In the 1950s and 1960s first-time home buyers comprised two-thirds of the mortgage market. But by 1980 two-thirds of new mortgages went to existing homeowners. Speculation was pushing the price of housing to dizzying heights. In 1963 the median-priced home cost just $18,000, financed with an FHA mortgage of five-and-a-half percent. By 1981 it cost over $65,000 and the mortgage rate was pushing 18 percent. Today housing is affordable to less than 20 percent of the population, and an even smaller percentage of the young.

Inflation and the Federal Reserve Board's resulting policy of tight money certainly played a role in this. But the sudden disappearance of affordable housing is also a matter of simple generational accounting. Members of the older generation did not save or invest as much as they borrowed for housing. What they borrowed came at subsidized rates. Worse yet, the dollars they repaid the banks were worth much less, as a result of inflation, than the dollars they received. This left the banks and savings and loans with even less capital to lend to the young, who were also charged higher interest rates to recoup the banks' past losses.

If this were not injustice enough, the Congress has made the older generation's housing bounty even richer. In 1978 it authorized a one-time-only tax exemption on capital gains of up to $100,000 when a home was sold (and increased it to $125,000 in 1981). But the benefit can be used only by certain people—specifically, those over 55. So the homeowner who bought a house in 1950 with a government-backed FHA loan and then watched it appreciate in value as the government continued to subsidize the mortgage market not only could sell it for far more than he ever expected, but could keep every penny of his gain. He might then use the money to buy preferred stocks and live off the interest. And if he were retired, he probably could expect a monthly social security check as well—also quite tax free, and also quite adequate to finance his Caribbean cruise.

Meanwhile, the young, who arrived too late for

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cheap credit, find themselves not only unable to buy a home but having to pay more in taxes to make up for this and other generational entitlements. And thus the circumstances of age, rather than social class or professional success, now largely determine who in this society will remain tenants and who the landed gentry. This is the real stuff of generational politics.

Why has this conflict between generations gone largely unnoticed? A major reason is that both political parties find it far more convenient to ignore the obvious, not only because it seems so irreconcilably unjust but because they are parties to the injustice themselves.

Supply-side economics, usually criticized as a desire by conservatives to enrich the wealthy at the poor's expense, should also be seen as a device for a huge transfer of wealth between generations. Older workers obviously have higher incomes than younger ones and hence benefit disproportionately from tax cuts. The federal budget cuts that have accompanied these tax reductions have been concentrated in such programs as food stamps, welfare, and job training, which largely affect young adults and children. Meanwhile the elderly—rich *and* poor—not only have been spared substantial cuts in their programs, from social security to medicare to civil servant retirement pensions, but have seen them increase annually. Rather than question these generational entitlements, most partisans of the right try to take credit for them, insisting that this largesse is the result of promises that cannot be altered, much less broken.

The left, having long embraced the notion that the political interests of the social security recipient are identical to those of the unemployed teenager, shares no less of the blame. Lavishing money on useless weapons, as Democrats often note, does deprive the needy of food and shelter. What so few are willing to acknowledge is that social security checks and tax breaks for the unneedy old ultimately deprive the very same people. Rather than risk offending the sensibilities —and the voting might—of the elderly, liberals prefer to consider them as exempt from scrutiny as the Reagan administration now considers the Pentagon.

Indeed, it is worth pondering for a moment the phenomenon of the organized old, which so far has been one of the most successful—and, I think, dangerous—political movements of our time. Unlike other generational movements, the agenda of what is often called the "Gray Rebellion" is largely materialistic, a straightforward call for even greater transfers of wealth from the young to the old in order to finance the continued expansion of social security, medicare, and other entitlement programs. In enforcing their claim of generational privilege, the elderly have also given us some unlikely heroes. Witness Florida Rep. Claude Pepper, perhaps the best-known defender of the current social security system. Pepper also happens to be a millionaire who accepts over $7,000 a year in social security checks. Typical of the accolades Pepper receives was a recent ABC News report that showed him celebrating his 82nd birthday, surrounded by children, while a reporter described the congressman's lifelong goal of "trying to bridge the gap between the young and the old."

Rather than address the matter of equity among the generations, both political parties propose to make amends for the profligacy of the past by urging the young to make sacrifices in the interest of posterity. The left implores the young not to burn so much oil, deplete the topsoil, or pollute the water and air; the right demands that the young forego more government entitlements, sacrificing instead for a balanced budget, a bigger defense, and an eventual return to honest money. What the past generation has abused or overconsumed, the next must conserve, restore, or do without.

This appeal to posterity, however noble in sentiment, cannot help but ring hollow, for one of its purposes is to distract us from the more contentious issue of generational conflict. The young also realize that if a similar plea on posterity's behalf was urged on *their* parents, it went unheeded. Little wonder so many remain skeptical; as the 18th-century English essayist Joseph Addison once quoted the selfish Everyman of his era, "We are always doing something for posterity, but I would fain see what posterity has ever done for us."

Take It from T.J.

All this raises the inevitable question of justice between generations. Curiously enough, this was a question that interested Thomas Jefferson, who probably coined that great Enlightenment slogan, "The Earth Belongs to the Living." Were we bound by the debts and feudal arrangements of the dead, Jefferson reckoned, revolution would always be illegitimate. Conversely, it followed that we have no right to burden future generations with the price of our own freedom and pursuit of happiness.

This was Jefferson's argument against public debt. Any majority that votes today to borrow from the future will soon become a minority as its

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members grow old and die. A new majority soon emerges and finds itself saddled with obligations for which it never voted. Thus, the issuance of long-term public debt is a form of minority rule over time and must be limited. But limited how?

To answer this question, Jefferson consulted European mortality tables of the era and inferred that of all people alive at any one moment of the 18th century, half would be dead within 24 years and 8 months. In a famous letter to James Madison, he thus proposed that the U.S. Constitution be drafted so as to forbid any legislature from incurring debts not payable within this precise number of years and months.

The idea did not go over well. Although none of Jefferson's fellow revolutionaries doubted that public debts truly do encumber the young and the unborn, they found many obvious, practical problems with the proposal. Madison, by return mail, noted a theoretical problem worthy of mention. "The improvements made by the dead," he reminded Jefferson, "form a debt against the living, who take benefit from them." Thus future generations will realize the fairness of at least some of the debts left them.

There is much truth in this. Long-standing debts incurred to fight just wars, build lasting infrastructure, or deal with true national emergencies are quite properly passed on to succeeding generations, who perhaps will owe their very existence to such expenditures. Thus it was appropriate that throughout American history the federal budget frequently and necessarily was in deficit, particularly after wars and financial panics. Still, governing such behavior was a strong belief that a deficit necessarily incurred one year should be matched by surplus taxation in the years following so that over time each generation lived within its means. Although it is nowhere required by the Constitution, each successive administration, even Franklin Roosevelt's, felt morally inhibited about borrowing from the future to finance current consumption.

This ethos finally fell away when those who are now old came to power. In the last two decades deficit financing became not an intermittent device to cope with national emergencies but a convenient habit. The nation kept its taxes low, built expensive armaments, and financed a vast array of new social programs, from medicare to food stamps. And if Congress miscalculated the cost of its generosity, it could always borrow just a little bit more. In 1965, for example, Congress estimated that the new medicare program would cost more than $8 billion by 1990. But by 1979 it was costing almost $25 billion, or three times the projected cost for 1990, with costs still rising sharply.

Through deficit financing, the young were being expected to pay not only for their own poor, but for their parents'. But most important, in contrast to Madison's prescription for a just debt, these deficits were not incurred, by and large, to provide improvements for the future, but to satisfy the appetites of the present. The older generation accordingly has not conveyed to the young the improvements that previous generations felt obligated to make. Just to restore the nation's dilapidated bridges, highways, and water systems will now require, by conservative estimates, over $1 trillion in the next decade. This is roughly equal to all the admitted debt of the federal goverment and thus serves to redouble the measure of encumbrance now presented to the young by the old.

To the Streets?

As my generation seeks and fails to live out the values and expectations of an age it never really knew, it is only a matter of time until it perceives its true circumstance. If there were ever a generation that had reason to take to the streets, it is this one. It has not yet happened; the young so far have eschewed the streets as well as the halls of Congress. As so often besets quieter generations, the young have been partly seduced by the ideology of their immediate elders, inheriting from the era of Youth the notion that there is little to be found in politics save cause for alienation.

But this the younger generation must realize: unlike a previous generation, it does not have the luxury of discounting politics. As the government's generosity becomes further limited, the old promise to become even more militant in advancing their claims of generational privilege. Unless the young join in this grubby competition for equity, they will find their birthright mortgaged even more.

But there is a danger in the younger generation's political awakening. If in frustration the young demand nothing less than the same reckless prosperity of their parents, the unjust debts of history will compound even further, passed from one generation to the next, until we are so heavily mortgaged the national decline we now fear will become both inevitable and irreversible. To avoid that, a more fair division of both the necessary sacrifices and ensuing benefits of American life is required. And to those who deserve compassion, we should be unselfish—but give to each according to his need, not to his generation. ■

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MEMO OF THE MONTH

BANK OF AMERICA

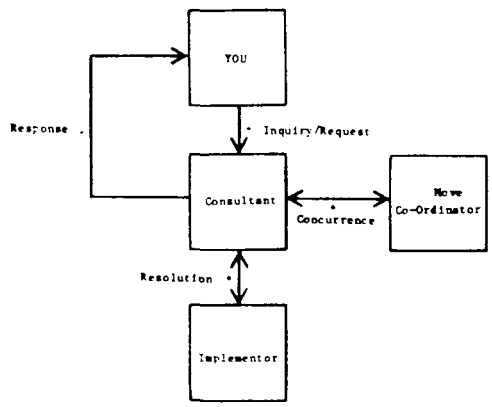
FROM: IOS - Development Support Services #3445
San Francisco Headquarters

TO: IOS Staff

DATE: August 31, 1982

SUBJECT: Pacific Gateway Move Task Force

The attached matrix indicates the Move Task Force Representatives for Pacific Gateway. The following diagram illustrates the recommended approach for information/questions to flow in order to ensure all your requirements/needs are met:



The "Consultant" role is to screen all inquires/requests for feasibility. The "Implementor" role is the provide back-up to the "Consultant" and to ensure plans are carried out for day one move in service and thereafter. The "Move Coordinator" role is to review all updates/concerns and act as primary interface with all non-IOS departments e.g. EB-Adminstaation & Premises.

Bruce Lee
Ext. 2-6847
Senior Systems Analyst
(Move Coordinator)

cc: Kathy Stout
Valerie Pinkert
Fran Farmer
Felix Canari
Roger McClure

lv/2116f

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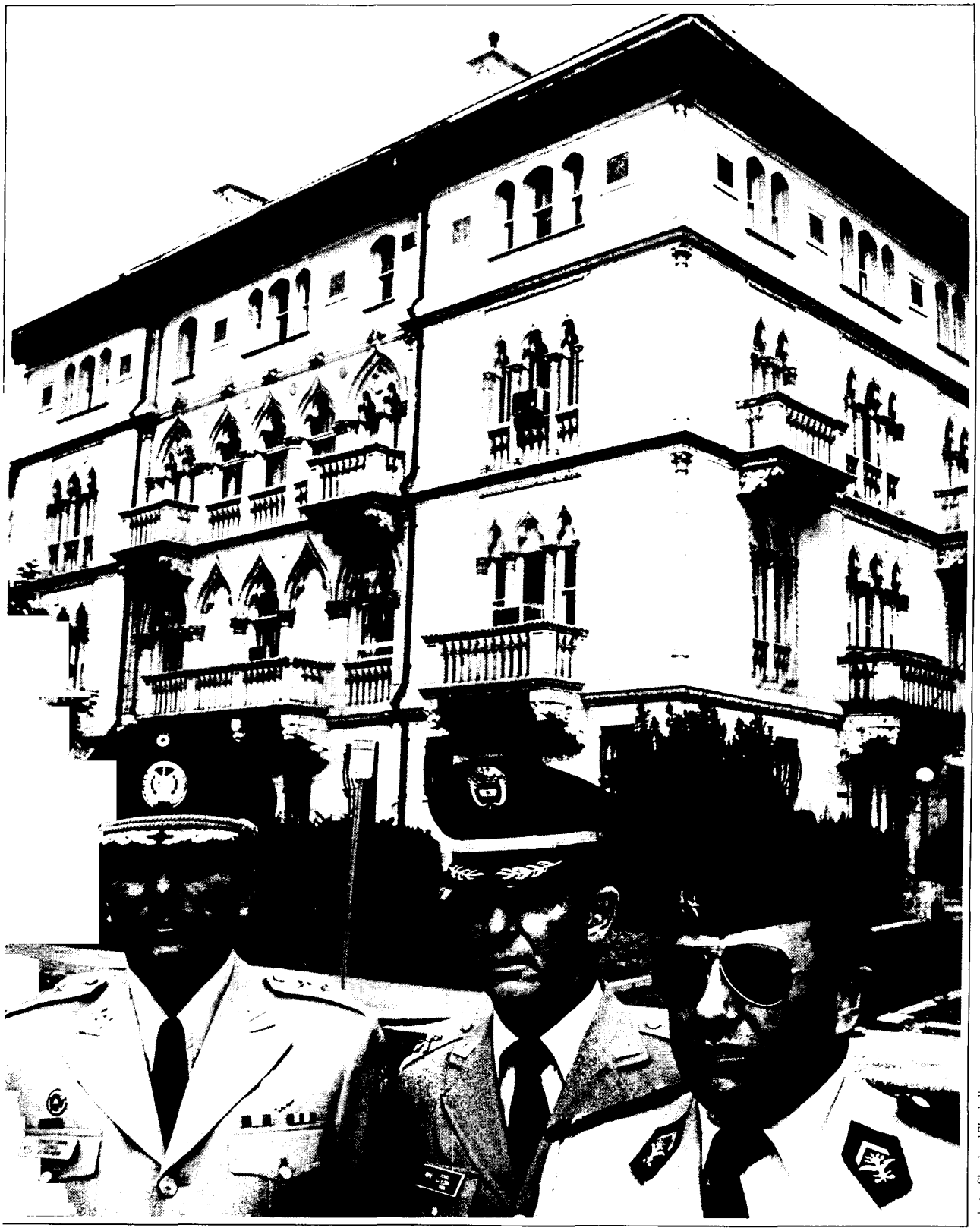

photo Shephard Sherbell

'hree members of the Inter-American Defense Board.

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Free for Lunch?

The Languid Life of Foreign Attachés

by Hope Aldrich

A typical day in the life of Captain Sergio Rolando Alcaraz, Paraguayan naval attache in Washington, goes something like this:

In the morning Captain Alcaraz receives phone calls or attends meetings as a member of the social committee and the trip committee of something called the Inter-American Defense Board. On the day I visited his Massachusetts Avenue office, the issue under discussion was whether the social committee should invite Nancy Reagan to IADB's fortieth anniversary party. Meanwhile, the trip committee is making arrangements for this year's visit of the board delegates to Latin America.

Then it's time for lunch with a spare parts salesman. At first glance, it seems that Alcaraz is finally getting down to real business. He keeps a large scrapbook of pamphlets from salesmen on the coffee table. Easy-listening music wafts through the room as he leafs through the pages. "We're overflowing with pamphlets from people trying to sell us things," he says brightly.

But the scrapbook turns out to contain pamphlets not for major armaments, but for small supply dealers and even a caterer. I soon discover that since 1977 the United States has banned all arms sales and grants to Paraguay, whose human rights record makes the Philippines look like Luxembourg. This year, the only thing military going from the U.S. to Paraguay is a $15,000 training grant. What's more, Alcaraz is the naval attache from a land-locked country 800 miles from the sea.

Alcaraz has a ready explanation for his presence in Washington—Paraguay apparently needs a navy for its rivers, which carry trade and border on sometimes-unfriendly nations, and it needs good public relations even during the arms embargo. He stresses how important it is to have attaches in Washington attending social functions and keeping up contacts for the day they are needed. "We're happy with visiting each other and getting to know each other," he says. "Later on, doing business will be easier." But he makes no effort to hide the leisurely pace of the attache's life. "We are very senior people," he explains. "We have passed through so many events." Now, in Washington, he wants "to rest, listen to the music . . . . If they need you, they will come and get you."

Whatever those later "needs" turn out to be, it's a little hard to figure out what these people actually accomplish in the meantime. All over Washington you see limousines disgorging streams of uniformed officers who disappear behind the doorways of mansions with plaques identifying countries you may never have heard of. The telephone book isn't much help, offering only obscure listings for foreign military "commisions" and "representatives."

What I found on my strange journey through this world is that behind the impressive titles is a sea of blank date books and lengthy agendas that lead nowhere. Appointment as an attache can be a treat—a reward of luxury and leisure. But it can also be a form of exile.

Hope Aldrich is a Washington writer.

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Mucho Ado About Nothing

There are more than 400 defense attaches in town. Although they aren't a diplomatic necessity, half the embassies have them—and at not inconsiderable expense. The attache needs a house in the suburbs, often a chauffeur and club memberships, and a sizable entertainment budget. Ostensibly, his responsibilities are to advise on military matters, to keep abreast of technological advances through the trade magazines, and to keep the arms parts flowing smoothly through the pipeline to home when needed. The attache handles bids for spare parts, but his government usually negotiates directly for major new purchases like ships and planes.

For countries with large defense budgets, the spare parts business does in fact keep military attaches and their backup staffs frantically busy. On Brandywine Street at 8 a.m. sharp every day, 60 uniformed officers and more than 100 civilians stream into a modern, six-story office building of the German Military Representative, where they keep track of West German spare parts contracts worth about $3 billion annually. At the Australian embassy on Massachusetts Avenue, business moves so fast the embassy provides computer printouts of needed parts at the reception desk that any salesperson can skim over.

But what about the defense attaches from countries with tiny military budgets or to which, like Paraguay, the United States has banned weapons sales because of the countries' poor human rights records? What do these attaches do?

Captain Alcaraz has lots of company. Uruguay, for instance, has eight defense attaches on a diplomatic staff of 16—and can buy no arms from the United States. Then there's Peru. It employs a full-time "police force attache," Lt. General Juan Balaguer, whose taxing job is to keep in touch with U.S. police organizations to monitor illegal smuggling of Peruvian artifacts.

One might think that Lt. Col. Chiniya Bahadur Basnyat, military attache for the government of Nepal, would be a bit busier than most of his South American counterparts. Nepal's 25,000-man army is matched against the military giants that ring its borders—China with an army of about 4.5 million and India with an army of more than one million.

But Basnyat, relaxing confidently on a couch in his carpeted office, says that his army's work has nothing to do with defense. "The army is not used for fighting outsiders," he says. "It is used for developing the country, for natural disasters, and for building foot paths through the high mountains." Nepal seldom buys American-made spare parts for its army—perhaps once or twice a year—and has no navy or air force, he says. So procurement does not absorb much of his time.

Basnyat's main job, he says, is simply to develop good relations with the men at the Pentagon, the reason being that Nepal's survival depends more on friendship than weapons. Why friendships with military men in particular? Basnyat enthusiastically describes a special camaraderie among Washington's corps of military attaches that comes out most strongly when they all go off on Pentagon-sponsored trips to U.S. military installations and private armament companies. "When we go on tour, we have Israelis, we have Arabs. But we all understand each other. There are no problems. If there would be only army people, I think there would be no problems in the world."

A big part of the game of looking and feeling important is finding an elegant building suited to the attache's ostensible stature. But that elegance can fade quickly once you're past the front door. On the 2300 block of California Street, in an expensive residential area, stands an imposing red-brick, three-story building, the Embassy of Burma—Office of the Military, Naval and Air Attache. But step inside and it's a scene straight out of some movie where the British have just abandoned a colony: bare, cavernous rooms with several windows boarded over, and only two desks and a few decaying armchairs visible on the first floor. It looks as if the staff had moved in yesterday. In truth it moved in ten years ago. Upstairs, in the offices of the attache, Lt. Colonel Ko Gyi, time seems to have stood still. A 1964 *Who's Who* lies on the near-empty bookshelves. Gyi serves tea on a table with old calendars spread under the glass top.

Gyi's staff includes about six people, which seemed more than necessary for his responsibilities of supervising about 20 Burmese students training at U.S. military bases and overseeing modest spare parts purchases. Burma is not involved in any U.S. weapons grant or financing program. The U.S. funds a drug control program there, but this office does not manage it.

Perhaps the most popular and widely used device to fill the attache's need for feeling significant is the multinational commission. There are various such entities around Washington, often

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housed in fancy buildings with their own separate staffs. To understand the important role they play in keeping some of Washington's attaches from nodding off during the day, I took a closer look at one, an obscure but proud organization called the Inter-American Defense Board.

Seated on the nob of a hill at 16th and Euclid Streets, the IADB headquarters is a pink, Venetian-style mansion with carved lions crouching at its window sills. Perhaps this is a place where some real policy decisions are being made, I thought as I made my way through the broad, marbled entrance.

The IADB is composed of 19 active-member nations from the Americas, including the United States. It was founded during World War II, with a mandate "to act as the organ of preparation and recommendation for the collective self-defense of the American continent against aggression." This means drawing up strategies against invasions and uprisings. The board makes use of an international staff of about 70, including 24 officers who work in intelligence and planning, five interpreters, a draftsman, and two chauffeurs. A council of delegates from each country sets policy at biweekly meetings. Total cost is about $2.3 million annually, funded through the Organization of American States, of which the U.S. pays two-thirds in addition to the salaries of the U.S. military assigned to the board. Except for funding the OAS has no formal tie with the IADB.

The pomp and circumstance preceding the biweekly council of delegates meetings rivals President Reagan's recent European tour. Uniformed officers step out of limousines and move on past the flags set up outside the marble doorway to the lounge, where they sip drinks beneath paintings of naked cherubs holding strands of flowers. The conference takes place in the ornate, red-carpeted meeting chamber, dimly lit by chandeliers. Translators take their places in two tiers of booths and a lengthy agenda is distributed. During the recess, waiters in red jackets serve wine, and the halls ring with the sounds of voices raised in speeches and toasts and the clinking of glasses.

In his office, where more cherubs cavort on the ceiling, Lt. Gen. John McEnery of the U. S. Army, the board's chairman, insists that the IADB has an important role to play. He removes from a metal safe three pastel-colored booklets that he explains are strategy plans for hemispheric defense. They are called "Alpha," "Bravo," and "Charlie," and he says they are continually updated and evaluated by the board. Alpha deals with small-scale guerrilla insurgency, Bravo with broader-scope war within the hemisphere, and Charlie with "significant attacks from the outside." The staff also produces reports on subjects such as disaster relief. Another function the board serves is as peacemaker, says McEnery, citing the 1965 Dominican Republic crisis, during which an IADB plan for the operation of an inter-American peacekeeping force was adopted.

It's an elegant, impressive, dignified, and totally false display. As it turns out, the strategic plans — Alpha, Bravo, Charlie, and the others—are purely make-believe, according to U.S. Air Force General Ranald Adams, who chaired the board from 1978 to 1981. The intelligence units have no access to classified materials so the staff is often left guessing at facts and figures. Because most countries have to send plans home for approval, which can take months, the staff works half-time at most, Adams says. "They play tennis. They visit embassies." They do make-work like updating a big military dictionary in four languages "so that when we say 'soldier' or 'rocket' we all know what we're talking about."

The recent war in the Falklands illustrates the board's stature. Why wasn't "Charlie" plan brought out then? Well, explains McEnery, "the plans are extremely general. You couldn't just dust them off and go to war, if war broke out." There just aren't any plans for insurgency in Central America, he says, because "we haven't had any instructions to do any."

The so-called peace-keeping role of the board is equally substantive. During the Dominican Republic crisis of 1965, after President Johnson sent in U.S. troops, the OAS did indeed call on the IADB to draw up a plan for a multinational force. But according to Professor John Child, assistant dean at American University's School of International Service, "it was never used. It was just a paper exercise." The board sent an observer only for about a month, he said.

Child, a retired lieutenant colonel who was a member of the U.S. delegation to the board from 1973 to 1978, said that the board's few other attempts at peacekeeping hardly have been memorable. In 1972, when Guatemala complained of an unusual buildup of British forces across the border in the British colony of Belize, the board sent down a Colombian general to see what was going on. "He went around and looked for British tanks," Childs recalls. "He didn't find any."

The truth is that Latin American governments

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and the OAS shudder at the mention of a permanent and powerful Latin American military organization such as NATO, says Child. It's the last thing they want after a history of American intervention. So they intentionally limit the Inter-American Defense Board to an advisory role, with no authority to call up troops.

Child contends that the real reason for the existence of the pink elephant on 16th Street is purely political. No one dares abolish it because it would upset the military back home. The board is simply a dumping ground for an excess of undesirable high-ranking military officers. The formula for assignment: "A colonel is too powerful to be fired, too dangerous to be retired. Assign him to the board."

General Adams recalls time after time when the "Golden Exiles" from Latin America have arrived after changes of governments, especially changes from military to civilian leadership. When the

Learning To Kill Time

If Latin American military officers aren't passing the time at the Inter-American Defense Board they may have retreated to the groves of academe—the Inter-American Defense College, which sits on a lovely stretch of land along the Potomac in Southwest Washington.

The college has a student body of only about 60; a faculty-student ratio of about one to four; about 100 guest speakers a year from universities like Princeton and Johns Hopkins; a free, two-week tour in Latin America; another free, two-week tour through U.S. military bases and arms companies; almost guaranteed graduation (only a handful haven't passed); and no fear of rising tuition or closing doors because the governments pay all. About the only thing missing is a basketball team.

This idyllic institution was set up in 1962 by the Inter-American Defense Board and is open to officers from the board's member nations. The U.S. enthusiastically joined the project and donated building space because the college was seen as a chance to counter the growing threat of Castro-style guerrilla warfare. Each country may name to the one-year program three students who have graduated from their national war college and reached the rank of colonel. Some civilians also are allowed to attend. Faculty come from every member nation.

United States Rear Admiral Sayre Swarztrauber, chairman of the college, claims the students are "the cream of the crop, obviously top notch." Many of them become generals and admirals and cabinet officers. The students get a first-class education, and more important, Swarztrauber goes on, once back at home in high-ranking positions they can pick up the phone and call former colleagues when disputes between nations arise. This way "they can solve problems on a personal basis that might have taken three or four times longer at the diplomatic level," Swarztrauber says.

But does Swarztrauber's college really attract the stars of the hemisphere's military ranks? No. I quickly noticed that the students tend to be shiny on top and thickening at the waist. The average student this past winter was 45 years old, closer to the end than the start of his military career.

In fact, according to Bruce Bagley, an assistant professor at the Johns Hopkins University School of Advanced International Studies and an occasional lecturer at the college, the college attracts a significant number who are being bypassed in the military system and who need "a feather in their caps" to boost their careers. The cream of the crop are at home, he says, having already made it while in their thirties.

Of course, Swarztrauber's claims that college graduates can reach for their phones to smooth out diplomatic crises has never amounted to much. As for the rest of the curriculum, the military courses taken by the Argentinian graduates certainly didn't help in the Falklands. They should have gone to Sandhurst. All in all, the real purpose for maintaining the college, Bagley believes, is simply to give the Pentagon convenient access to as many Latin American officers as possible.

—H.A.

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Peruvian government became civilian under President Fernando Belaunder, it conveniently dispatched to the board a group of officers who had lost their jobs. "They sent them up here until they became eligible to retire. It's nice to come to Washington." The board also helped out President Antonio Guzman of the Dominican Republic when he wanted to get rid of the director of the national police.

The State Department originally pushed for creation of the board during World War II because the U.S. wanted access to Latin American raw materials in case other sources dried up, Child explains. It was permanently established by the Organization of American States in Bogota in 1948. Though the board became an anachronism soon after the threat of war passed, it wasn't until 1968 that the U.S. tried to eliminate the empty exercise, and by then it was too late. The state department sent an assistant secretary on a swing through Latin America to suggest replacing the board with annual meetings of the ministers of defense—wouldn't the ministers like to do their talking somewhere besides Washington, he urged. The assistant secretary's suggestions were about as popular as Castro's would be at the White House.

Culture of Cushiness

One can't help suspecting that the life of many military attaches is but the tip of a comfortable iceberg that exists not only in Washington diplomatic circles, but in capitals throughout the world. At least the military attaches and defense board members have some assigned duties and a well-defined role. But what about the thousands of other diplomats whose functions are even harder to discern? What does the Dominican Republic mission in Malta do all day? How do Italian diplomats in the Ivory Coast keep busy?

The haze of elegance and respectability that has long shrouded diplomacy usually keeps these questions from coming up. And the diplomats themselves aren't going to be much help. It's hard to admit that you're in exile, or that your country's foreign service is wasting money, or that your job is nothing but a cushy reward devoid of substance. Once these things are pointed out, all of that getting in and out of limousines becomes less dazzling—and more amusing. ■

THE WASHINGTON MONTHLY

Journalism Award

for August 1982 is presented to

Bill Hogan, Diane Kiesel, and Alan Green
The New Republic

The authors carefully document the way many members of the House of Representatives repeatedly use money contributed to their campaigns for such things as Super Bowl tickets, designer clothes for their wives, and expensive silverware. The extent of this practice had never before been revealed.

Mark E. Rust and Sharon Rosenbaum
The Chicago Lawyer

Rust and Rosenbaum explain what happened when a non-lawyer offended state authorities by trying to represent alleged victims of land fraud. In showing how courts are used for purposes other than justice—like making money and winning votes—the article provides vivid insight into how litigiousness is changing society.

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The Sliver Strategy

HOW NEW MEXICO CONGRESSMAN MANUEL LUJAN MAKES THE TAXPAYERS' LOSS HIS GAIN

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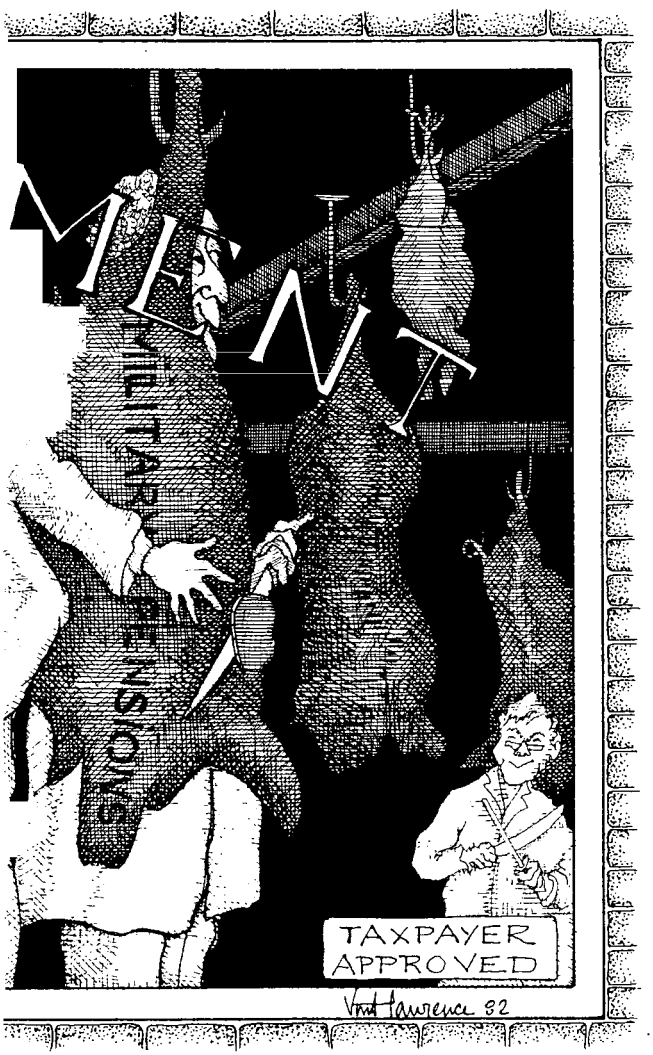
BY GREGG EASTERBROOK



Vint Lawrence

It's a plain, squat building on a billboarded Albuquerque boulevard, the office of an insurance agency called MLA—entirely unremarkable except perhaps to those who know it is owned by a U.S. congressman. Early in the 1970s federal funds started to disappear here. The money wasn't being stolen. Nor was it being fumbled away through incompetence. Rather, it seemed, the money was being wasted on purpose.

The congressman who owns the office is Manuel Lujan Jr., a conservative Republican and 14-year representative of New Mexico (MLA stands for Manuel Lujan Agencies). Lujan is renowned around Washington for giving stern lectures on how others are to blame for excessive federal spending. Long before it became fashionable, he was railing against "waste and inefficiency in government" and ridiculing "the belief that a better society can be created through big, costly Washington government." Lujan's hard-line speeches have earned him considerable notoriety, at least in New Right circles. Ronald Reagan nearly chose Lujan over James Watt for secretary of the interior, and, six times in succession, Lujan has won an award called "Watchdog of the Treasury," given by a conservative business association for anti-spending crusading.

Yet when it comes to his own affairs, the watchdog appears to be snoozing. An investigation conducted jointly by this magazine and the Better Government Association, a nonprofit government monitoring group, shows that Lujan's company, which places Small Business Administration-guaranteed bonds, has cost taxpayers millions in waste, losing money at remarkable levels even for the often lax SBA. But Lujan seems blissfully unconcerned—perhaps because, by means of something that might be called "the Sliver Strategy," a share of the wasted money goes to him.

Despite popular belief, it's rare for a modern public official to take cash directly, and equally rare for one to channel a large share of the business from any government program back to himself. If nothing else, where large shares are involved, getting caught is today almost inevitable. On the other hand, a small percentage of the proceeds—a sliver—is easier to arrange, and much less likely to draw attention. For a public official to be linked to, say, one percent of a program's expense generally does not inspire outrage.

Gregg Easterbrook is a staff writer for The Atlantic *and a contributing editor of* The Washington Monthly.

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The only catch is that for a sliver to be rewarding, the overall program must be extremely costly. Thus public officials who would like to pry a little of the budget loose for themselves, using this relatively safe strategy, have a tremendous personal interest in ever-greater government spending. And if they can create an atmosphere of overall carelessness and waste, so much the better, for their sins will seem smaller by comparison.

Most sliver strategies are relatively modest. For instance, when Congress votes an increase in the $15-billion-a-year military pension system, a little bit is slivered off to the 30 senators and representatives who receive such pensions. Other congressmen, who have agricultural holdings, derive a small benefit for themselves when they support farm subsidies. The little-known sliver strategy is thus a subtle yet powerful force behind rising government spending.

Occasionally, however, a sliver strategy becomes brazen. Manuel Lujan and the SBA bond program illustrates one such case.

A BONDAGE FETISH

Lujan's company specializes in construction "surety" bonds underwritten by the SBA as an adjunct to the agency's minority-contractor program. In the early 1970s, the SBA began to encourage minority-owned or small businesses to take shares of government construction jobs. But many such contractors were tripped up by their inability to qualify for surety bonds. All construction companies must post bonds to guarantee (provide "surety") that they can complete the jobs they begin; small or minority-owned companies, especially ones just getting started, often have trouble obtaining such bonds. So the SBA decided to go into the bonding business.

Naturally, SBA officials expected that these bonds, written mainly for young firms, would have a higher default rate than standard commercial surety bonds. The way they designed the program, however, made it possible to turn bond failures into a booming business.

SBA surety bonds are written by thousands of local insurance agencies like MLA throughout the country. These private agents in effect decide who gets government-financed bonds. "SBA has historically delegated virtually all discretion [in bond awards] to surety companies and their agents," the SBA's then-inspector general, Paul Boucher, told Congress in March 1982. Local agents are supposed to exercise "prudent suretyship," to weed out spurious applicants and find those young contractors who are both deserving of a break and able to handle one if it is offered. They are paid commissions equal to about one-half a percent of the bond amounts written. They then pass the "paper" along to an intermediary company. In the Lujan agency's case the intermediary was until recently a "specialty" insurer, American Fidelity Fire Insurance of Woodbury, New York, which also received a commission on volume but was at risk for only ten percent of the bond amount. AFFI in turn passed the paper along to the SBA, where the bulk of the risk, 90 percent, came to rest.

"The 'sliver strategy' involves a politician taking a small percentage of the proceeds. The sliver is substantial, but because it doesn't look conspicuous, it generally doesn't inspire outrage."

The flaw in this system should have been obvious to SBA planners. There is virtually no penalty for the agent who fails to be "prudent." Indeed, agents like MLA can make money regardless of whether they screen out undeserving applicants and regardless of what losses the taxpayers take. All they need do is sell lots of bonds—insuring that their commission sliver adds up to a tidy sum. Of course, this inflates the total cost of the bond program and leads to needless defaults, but none of that is the agent's concern. "Neither the SBA nor most of the sureties are actively attempting to prevent defaults," a General Accounting Office study found in 1979. Don Moore, a New Mexico insurance agent and former SBA bond writer, puts it a little differently: "It takes about an hour to figure out how to make money off this program, and you don't have to do anything right," he says.

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While this flawed program was being developed, Lujan was a member of the House Small Business Committee, which had jurisdiction over SBA affairs. Himself an insurance agent for MLA before his election to Congress, Lujan hardly could have failed to notice the opening for risk-free profit. So despite his anti-spending record in nearly every federal category, Lujan soon was voting for SBA bond appropriations. Before long MLA was selling more SBA bonds than all other New Mexico agencies combined. David McMann, who was MLA's first (of two) chief SBA bond salesmen and who worked for the agency for several years, indicated in an interview that the sliver strategy had been chosen: McMann said he was instructed to "write a large volume of loans, and let the SBA take the lumps."

Lumps there quickly became more like foothills. Lujan's agency has compiled one of the highest default rates nationwide, a BGA examination of SBA records shows. In just ten years MLA has written more than 200 bad bonds. Defaults on these bonds have cost taxpayers more than $5 million. Averaged out, MLA's "default rate" (the ratio of losses paid to premiums earned) is 219 percent, according to the BGA study. In other words, MLA-written bonds are losing *on average* twice as much as the bonds take in. This is exorbitant even by comparison to the rest of the troubled SBA bond program. The default rate for AFFI, which is the largest SBA bond carrier, is 102 percent. Balboa Insurance, the nation's second-largest carrier, has a default rate of only 40 percent.

"Lujan hardly could have failed to notice the opening for risk-free profit . . . . Before long, his company was selling more SBA bonds than all other New Mexico agencies combined."

What sort of deals has Lujan's agency made on the taxpayer's behalf? In 1976 and 1977 MLA wrote 13 SBA surety bonds for a company called Paisano Nodaway. At that time Paisano Nodaway was experiencing serious management difficulties and an overextension of assets; the New Mexico Construction Industries Licensing Board received numerous complaints against the company *before* MLA issued its bonds. Through 1978 Paisano Nodaway defaulted on 12 of the 13 bonds, forcing the federal government to pay about $750,000 in claims.

MLA also bonded the Brame Construction Co., only to see it default and its principal, Richard Brame, flee to Mexico. Then there was the Frank Sherman Construction Co., which Lujan's agency bonded at a time when Sherman was attempting a job too large for its resources and too expensive to qualify for the program, which had a $500,000 contract limit. In order to evade the limit, MLA split the Sherman job into two smaller bonds. Both defaulted. SBA auditors eventually found MLA "apparently negligent" in the Brame and Sherman cases, but no disciplinary action was taken.

Another shining example of "prudent suretyship" involves Northern Pueblos Enterprises, a firm MLA bonded while it was being run by a man named Marvin Montgomery. Northern Pueblos under Montgomery was, in the words of the company's own lawyer, J. H. Buttram, "the most poorly run business I have ever seen." Montgomery had stolen company property and loaned company equipment to friends; Lujan's agency bonded him anyway. After Northern Pueblos defaulted its government bonds, Montgomery was fired. He promptly formed a new contracting firm, MM Co., and Lujan's agency promptly

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bonded him again. MM Co. then defaulted. Looking back on his entrepreneurial career, Montgomery told a BGA investigator that obtaining government-guaranteed bonds through Lujan's agency was "about the easiest thing to do."

In conjunction with writing bonds for nearly all comers, Lujan's agency has managed to corner the New Mexico market on SBA transactions. MLA writes, or serves as broker for, some 96 percent of all SBA loans in New Mexico, a level not approached by any other company in any other state, the BGA has found. David McMann says that this, too, is no coincidence. He maintains he was instructed to establish a monopoly for MLA and led clients to believe that Lujan's congressional staff, rather than his business concern, handled SBA bonding. McMann says he called clients with the introduction, "This is Manuel Lujan's office," and would admit the distinction only if they caught on.

PRUDENCE DOESN'T PAY

While Lujan sits in Congress, MLA is being run by his brother, Edward Lujan. (Manuel and Edward Lujan each own 45 percent of the agency; a nephew owns the remaining shares.) It is Edward Lujan's name that appears on most of the defaulted bonds. He says that since firing McMann in the mid-1970s, he personally has handled the firm's government bond business.

Edward Lujan maintains that he could not possibly have known about the true condition of the firms he bonded, but it seems he made little attempt to find out. He admits, for example, that he never checks with the state construction licensing board before approving bonds. "I wait for them [material suppliers, the bellwether of a contractor's ability to pay its bills] to call me," Edward Lujan said. When I told him default-prone Marvin Montgomery had described getting a government bond from MLA as "the easiest thing to do," Edward Lujan replied, "Well, we try to be of service to our clients."

How much is the Lujan agency's sliver? According to a complex commission formula Edward Lujan explained to me, the agency has made at least $345,000 on its SBA bond sales, a guaranteed commission unaffected by later defaults. The agency also receives a share of a profit pool administered by AFFI—how much, Edward Lujan wouldn't say. Information obtained by the BGA from Murray Lemonik, AFFI's chairman, indicates that over the years MLA's profit pool has held $1.3 million. Of this, according to a well-informed former MLA employee, Lujan's agency has received about $465,000 plus interest, bringing its total SBA bond revenue to about $1 million.

"Lujan says he now has 'no involvement whatsoever' in MLA, but one of his aides says she often placed 'three or four calls a day' for him to his brother at MLA."

MLA also profits by selling several lines of standard insurance to its bond clients. Richard Brame, for instance, bought $150,000 in life insurance for himself and his wife; Northern Pueblos bought workers' compensation insurance. Such "account development" is, by itself, a conventional and completely ethical business practice. But in the case of SBA-guaranteed bonds, it provides another incentive to sell a large volume and not worry about the consequences. Sometimes the cost of insurance "sweeteners" can be written into the contract being bonded, and thus, since nearly all SBA bonding is for government construction jobs, ultimately passed along to the taxpayer, too.

What portion of the $1 million sliver eventually will settle in Manuel Lujan's pocket is harder to say. According to congressional disclosure forms, Lujan takes no dividends from MLA, and Lujan has been quoted as saying the agency is not saving up money to present to him when he leaves Congress. Edward Lujan states, however, that all income from MLA activities is retained within the firm. If this is so, Manuel Lujan is merely mincing words—the cash as well as the stock value of his holdings is steadily increasing. In his most recent disclosure statement, Lujan reported the value of his MLA shares as "more than $250,000"—the

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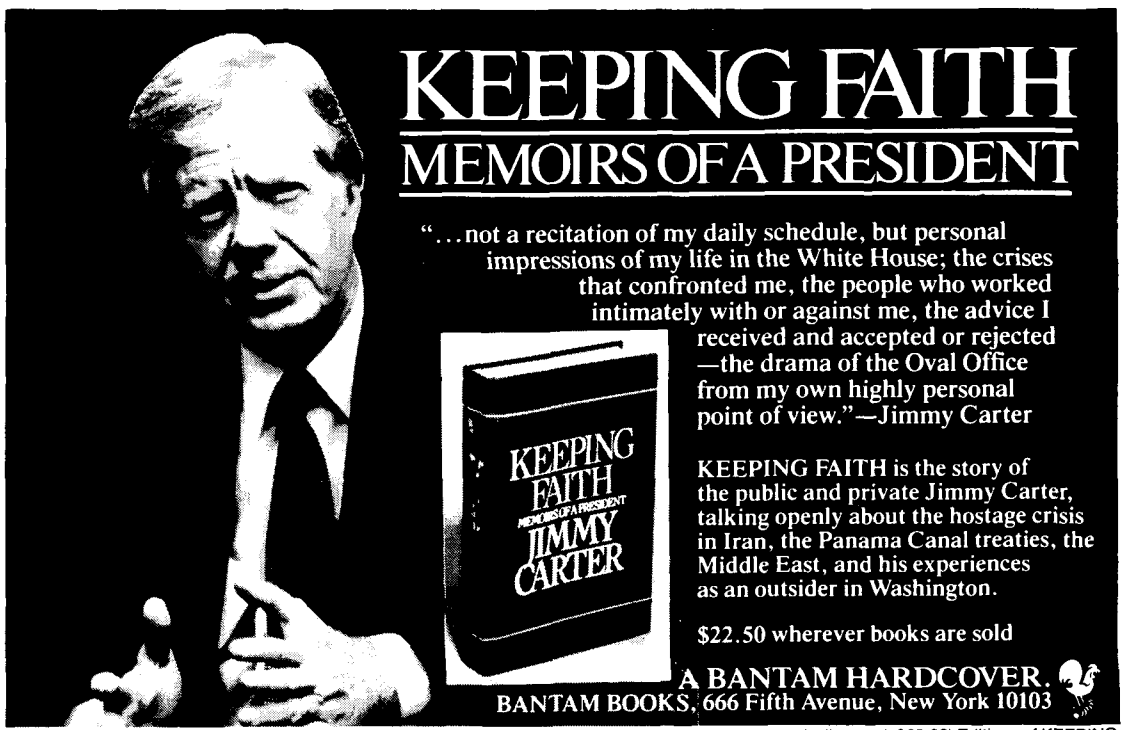
highest category on the form.

Lawmakers usually turn somersaults trying to deny they have any interest in government spending programs, and Lujan is no exception. Manuel Lujan's official claim is that he knows "absolutely nothing" about the activities of MLA, and he refused requests to be interviewed on the subject. Through a spokesman, Lujan claimed to have had "no involvement whatsoever" in MLA since joining Congress, having left all authority to his brother, with whom he "never" talks business. Through the spokesman Manuel Lujan described himself as "just a minority stockholder" in a business that bears his name.

Out in Albuquerque Edward Lujan paints a very different picture. He says Manuel Lujan receives an annual salary from the agency and is fully briefed on its operations at an annual board of directors' meeting. (The salary is small, usually around $8,000, but happens to correspond to the maximum allowed congressmen under outside-income laws.) Contact between the brothers is regular; a staff aide who worked in Lujan's Capitol Hill office for many years says she often placed "three or four calls a day" between the two. Do the Lujans "never" talk business? Moore, the New Mexico insurance agent and an acquaintance of Edward Lujan, once heard a rumor of a pending change in the SBA bond program and called Lujan's agency to find out if it was true. "I've just been talking to Manuel about the same thing," Moore says Edward Lujan told him.

Manuel Lujan has since moved off the Small Business Committee and so perhaps does not consider himself responsible for the fact that the SBA bond program, with all its faults and temptations, continues largely as it did when the "big, costly Washington" program was started in 1971. "Something has to be done about [bond] underwriting, coming up with standards so that our participants can know what's expected of them, know what types of bonds ought to be written," Boucher told Congress. All told, the SBA has guaranteed $10.6 billion worth of bonds since the program began and paid out $178 million in losses. In fiscal 1982, even with Reagan's cutbacks, it put $1.1 billion into the bond program. Soon SBA will begin "taking its lumps" for those bonds, too—while public officials like Manuel Lujan take their slivers. ■



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guilty secrets of An ETS Grader

by Jim Vopat

The "table aide" set down 45 or so pink examination booklets to my right and collected the finished product from my left. Across the table a fellow reader flipped a pink booklet closed with an exasperated gesture, observing that it was another essay on "that stupid thing by Thomas Mann."

Two tables away there was a round of peek-a-boo scoring going on—readers prying up the white labels before recording their scores to see what the previous scorer had given. Label-peeking was, of course, risky business. Not only did the Educational Testing Service expressly forbid it, but the edges of the labels could cut your fingers.

The reader at the end of my own reading table threw down an examination booklet and announced that she wouldn't grade it because she already had graded it the day before. Someone had changed the backing and returned the booklet to her, she said. My "table leader" said that the ETS did not engage in such subterfuge. "It's on *Portrait of the Artist as a* Found *Man*," the reader told the rest of us, "and there can't be two of those."

Two rows of reading tables filled the auditorium—it was another record-breaking year of more examinations, more readers, and more college credits. At the head of each table presided the table leader, whose job was to ensure that the grading reflected "quality control." At the front of the room were the "question leaders." While the table leaders checked on the grading performance of their readers, the question leaders checked the table leaders. There was a sudden expectant pause in the shuffle of paper, followed by the sound of chairs scraping against the linoleum floor. Finally, the "reading bell" sounded, and the rush for

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the bathroom was on. In 15 minutes the bell sounded again, and we returned to our respective places at our respective reading tables and started grading the Advanced Placement Examinations all over again.

The Advanced Placement Examination is the Educational Testing Service's flagship account. AP is more than a test; it's an entire curriculum designed to promote college-level achievement while the student is still in high school. An estimated 20 percent of the 22,000 American secondary schools participate in the program, which culminates in the yearly exam. The test is a combination of essay and multiple-choice questions, and its purpose is to measure the student's command of introductory college work. The successful high school participant gains college credit and/or advanced placement, not to mention saving the cost of up to a full year's college tuition. The ETS estimates that earning the required grade on a single AP exam is worth between $300 and $700. But by passing three tests, a candidate can earn a full year of college credit, saving as much as $10,000 to $12,000 if he or she attends one of the more expensive colleges.

Only 3.3 percent of all high school students taking the English Advanced Placement exam failed to be judged "qualified" or better.

Grading of the examinations is accomplished during a six-day "scoring session." The graders—high school and college teachers—are screened carefully by the ETS, and many (especially the high school AP instructors) have a vested interest in the continued growth of the program. Every June these readers are transported to Rider College outside Princeton and housed in dormitories, and every day for seven-and-a-half-hours they devote their energies to reading and evaluating the essay sections of the exam.

This grading fest is unparalleled in American education. Within the six days of the 1980 scoring session, for example, 318 readers graded 180,328 essays written by 45,082 candidates for Advanced Placement in English. That's about 100 essays per day per reader.

But if you think the teachers have been turned into Sperry Univacs, try reading some of the essays by these bright young students. To hear ETS tell it, the Advanced Placement Program is the pinnacle of American secondary school education. These are the best high school students in America, the ETS directors intone at the pep rally before the mass gradings begin, and we are the finest, most committed teachers the nation has to offer. Within the narrow confines of standardized education, that may even be true. The trouble is that formulaic essay-writing and assembly-line grading don't often have much to do with the clear thinking and writing one should expect in college-level work. What's good for ETS and the pocketbooks of parents trying to cut college costs might not be so good for students.

A RECURRING THEME

In order to achieve "quality control" and the uniformity that results, the ETS employs a subtle yet not so subtle system of rewards and punishments. The rewards are basically food, money, status, and the illusion that, as a reader for the ETS, one is promoting a "superior educational experience." There is as much cafeteria food as one can eat, and for many teachers the $350 paid for their six days of grading is not a negligible sum. Moreover, on the final day of each year's scoring session, each reader fills out a form requesting that a "letter of commendation" be sent to his or her academic dean, and it is a letter predictably full of praise for a job well done.

The punishments involve not having sufficient time to recover from one day's scoring before beginning the next; the bell-ringing, physical discomfort of the reading situation—the eyestrain, the headaches, and the shared fatigue. The air conditioning is on high because cold readers have been found to read faster. Then there are the public humiliations in the form of periodic "checkings." The grading standard is an official "Rubric Scoring Guide," which itemizes what "qualifies" a student for advanced placement. The purpose of the checkings is to ensure that readers hold to the detailed prescriptions of the Rubric. In a checking, an essay that has already been graded by the table leaders is circulated and then compared with the reader's grades. Based on these results, errant graders are admonished to lower or raise their scores, no matter how valid are the reasons for disagreement.

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Readers often cheat by peeling back the white label that covers the grade given by an earlier reader. The best technique is a paperclip or top of a Bic pen.

After a few eye-glazing days, a number of readers lose entirely their ability to discriminate. Some start giving the same score at every public checking; others keep personal records on their scoring patterns from day to day. Rumors periodically sweep through the reading room about studies the ETS is simultaneously conducting against its own readers. Something called the PREDIC system, one hears, can tell what grade you are going to give before you even give it.

In fact, the stress is such that many readers become so confused and insecure that they regress to the most absurd of scoring stratagems. The ETS places a white label across each score recorded on the back of the pink examination booklets to protect the reader from being influenced by already recorded scores. But after 10,000 or so essays many readers begin feeling the need to confirm their judgments through a quick peek under the label. Some roll the booklet back on itself to pop up the label, others use clips and tops of Bic pens. I have seen many grades crossed out and changed after such a clandestine consultation. At the 1980 scoring session, the table leader two rows over took pity on his readers because they were slicing their fingers prying up the labels. He supplied them with a bowl of paperclips to make it easier. Sometimes, when the white labels pop off during one of these private consultations, readers play around by pasting the label across their forehead—like white bandage to show where the operation took place.

The reason readers label-peek may be that the AP scoring session makes them feel insecure about their ability to discriminate good writing from bad. Most of the high school candidates taking the AP exam have been trained in the correct response; they have been repeatedly exposed to the "Rubric," previous questions, and sample essays. The students comply, and it is profoundly disheartening to read an identical essay written all over the United States, especially when these are supposed to be the brightest high school students in the nation. Consider these opening sentences from the 1980 public checkings:

"A recurring theme in literature is the classic war between a passion and responsibility." (J 65160)

"The personal psychological conflict between passion and responsibility tends to be classical in literature." (M 26122)

"A recurring theme in literature is the internal struggle between a passion and responsibility." (K18505)

"A common theme in literature is the internal struggle between a passion and a responsibility." (J86957)

"A recurring theme in literature is the classic war between passion and responsibility." (K49545)

When the reader's ability to distinguish between such essays diminishes, the need for a quick, reinforcing look under the label enforces itself.

Readers also label-peek because they are afraid their score will cause a "split." A "split" is when one reader gives an essay a 5 while another gives it an 8. "Splits" have to be read a third time by the question leader, and there is a fear common among readers that if you come out on the wrong end of too many "splits" you won't be invited back to Rider College the next year. Instead of drawing all that attention and making the question leader go to all that trouble, it is easier to resolve "splits" oneself by glancing quickly under the white label.

What's worse is that the official ETS Rubric Scoring Guide itself is practically designed to accommodate the deficiencies of the student writing. This modern definition of literacy is determined at what is termed a "cutoff session." At these sessions the chief reader, the ETS statistician, the program director, and various consultants determine the number of "extremely well qualified," "well qualified," "qualified," "possibly qualified," and "no recommendation" scores.

Robert Jameson, who is considered the architect of Advanced Placement, wrote in a book about AP tests that "one English examination included a question which asked candidates to write a unified essay commenting on three of five prose passages. The original rubric stated that a non-unified essay would be penalized. When it became clear that almost no candidate had written

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anything that could be called unified, the word was scrubbed." This is certainly a very novel approach to evaluation, in many ways more novel and inventive than peek-a-boo scoring. The question is asked, and when the students are found unable to answer it, the scoring guide is rewritten to either ignore the level of error or translate that error into a positive argument for recommendation.

By the device of the scoring guide, even admittedly "very poorly written" essays are encouraged into the middle range of qualified scores. In fact, the Rubric's middle range of encouragement includes those essays that set out and prove the opposite of what the examination question asks. The ETS operates the only grading standard I know of in which words like "weak" and "distort" are used to define a positive intellectual achievement. Such redefinition goes a long way to explaining the extremely high success rate of AP candidates in English. Of the 41,975 candidates in 1979 only 1,385, or 3.3 percent, failed to be judged a degree of "qualified"; in 1980, the percent was 3.7

The 96-97 percent success rate may surprise you—especially during a period of growing concern about the ability of high school and college students to write and think clearly. But the ETS, which needs a good success rate in order to encourage students to plop down $38 per test the next year, justifies this percentage by pointing out that such impressive scores should be expected from such bright students. After all, the candidates have been in training an entire year for this particular examination. They have rehearsed questions; they have read over previous Rubrics; they have attended special lectures on the nature of the exam; they are familiar with previous essay questions. In more than one sense of the term, we must all admit that the AP students are "gifted."

Not that it makes much difference once the test begins. Candidates are more than willing to fill in the 40-minute time period with almost anything, and what I witnessed was a three-year succession of sentences so innocent about the nature of writing and literature that they became comic one-liners:

"The theme of *Hamlet* is innocent until proven guilty."

"Captain Ahab decided to take his crew ashore for safety."

"Obviously Anna Kerenina is the main character of the novel. Her name is in the title."

"Henry VIII's wife was childless and appeared to be baron."

There are also essays on T.S. Eliot's *Silas Marner*, Nathaniel Hawthorne's *Antigone*, and Sophocles's *Othello*.

Although the examination questions clearly stipulate that candidates write on a "novel or play of recognized literary merit," in practice no distinctions are made. A 10- or 15-page short story by Ray Bradbury has the same testing value as *Crime and Punishment*. I once objected to approving an essay on *The Hobbit*, only to be immediately overruled.

But at least *The Hobbit* is a book. At the 1979 reading, I received an essay in which the student chose a movie for his "novel or play of recognized literary merit." I asked for a ruling from the question leaders as to how the examination should be treated. Eventually the essay was returned to me with the instruction to "reward the essay for what it did well in response to the question."

ETS, PHONE HOME

At the 1980 reading, a high school teacher remarked that she could not understand why college professors returned year after year to the scoring session. After all, she said, what the college professors were doing was literally reading themselves right out of their jobs as the "service" of the ETS manufactured academic credits for courses that will never have to be taught. Not only are students being told that they are "qualified" after having just demonstrated a desperate need for freshman English, but the very teachers who could have taught them become unemployed because they don't need the academic credits.

So why don't colleges just stop granting advanced credits for course work not done and thereby make more money, employ more professors, and provide a full four years to students who could surely use it? The answer is demographics. As soon as the idea of not giving academic credits for classes students don't take is mentioned, someone important in the admissions office throws a fit. After all, enrollment is a competitive business and the college that can grant the most credits ahead of time has the edge. In a world of diminishing enrollments, there must be some incentives. If you're the president of a small liberal arts college who's spending half your time recruiting next year's freshmen, this argument can sound especially convincing.

Besides, why worry? Everything is under the professional care of the Educational Testing Service. ■

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WHO'S WHO in the Administration

If you need any more proof that the Reagan administration plans for a huge military buildup are bad not only for the economy but for an effective defense, here it is: **Paul Thayer**, who heads LTV Corp., a major defense contractor, recently paid a visit to President Reagan. During that visit, according to a highly reliable source, Thayer told Reagan that the Pentagon is handing out contracts much faster than they can be absorbed by the defense industry. Evidence of the effect of this on weapons quality was provided recently by *The Wall Street Journal*, which reported that one important reason the National Semiconductor Corp. is under grand jury investigation for producing faulty parts is that adequate testing slacked off as the company tried to keep pace with vastly increased orders and production. . . .

We are not sticklers for conflict-of-interest, but it is interesting to note the pressure that particular news publications place on the White House for invitations to important social functions. One source says that the three most obnoxious offenders are **U.S. News and World Report**, **Scripps-Howard**, and **Fairchild Publications**. What are they planning to give in return? . . .

As noted below, former senator **James L. Buckley** is leaving the state department for the presidency of Radio Free Europe/ Radio Liberty. His new $145,000 salary, modest perhaps by Buckely family standards, has raised eyebrows among ordinary civil servants.

In

WHITE HOUSE
Chairman, President's Economic Policy Advisory Board—**Walter B. Wriston** is chairman of Citicorp.

AGRICULTURE
Assistant Secretary for Science and Education—**Orville G. Bentley** was dean of agriculture at the University of Illinois.

STATE
Ambassador at Large for Nuclear Nonproliferation and Energy—**Richard T. Kennedy** has been undersecretary for management and was a member of the Nuclear Regulatory Commission.

Undersecretary for Management—**Jerome W. Van Gorkam** has been chief executive officer of Trans Union Corp. of Chicago.

Ambassador to Botswana—**Theodore C. Maino** was president of Maino Construction Company in San Luis Obispo, California.

Ambassador to East Germany—**Rozanne L. Ridgway** has been a special assistant to the secretary.

Ambassador to Jamaica—**William A. Hewitt** has been chairman and chief executive officer of Deere and Co.

Ambassador to Panama—**Everett Ellis Briggs** has been a deputy assistant secretary for inter-American affairs.

Ambassador to Poland—**John D. Scanlan** has been a deputy assistant secretary for European affairs.

Ambassador to Portugal—**H. Alan Holmes** has been a deputy assistant secretary for European affairs.

Ambassador to Somalia—**Robert B. Oakley** has been ambassador to Zaire since 1979.

USIA
Director, Voice of America—**Kenneth Y. Tomlison** has been an editor at *Reader's Digest* since 1968.

COMMUNICATIONS SATELLITE CORPORATION
Director—**Justin Dart** is chairman of Dart & Kraft, Inc., and a member of the president's "kitchen cabinet."

Out

WHITE HOUSE
Special Assistant to the President for Public Liaison—**Wendy H. Borcherdt** will become undersecretary of education for intergovernmental and interagency affairs.

LABOR
Inspector General—**Thomas McBride** will become an associate dean of the Stanford Law School.

STATE
Counselor—**James L. Buckley** will be president of Radio Free Europe/ Radio Liberty.

Ambassador to East Germany—**Herbert Okum** has been reassigned.

Ambassador to Jamaica—**Loren E. Lawrence** will work with the U.S. Business Committee on Jamaica.

Ambassador to Portugal—**Richard J. Bloomfield** is director of the World Peace Foundation.

Ambassador to Somalia—**Donald K. Petterson** has been reassigned.

VETERANS ADMINISTRATION
Director—**Robert P. Nimmo** has resigned in the wake of a GAO report charging that he made personal use of government funds.

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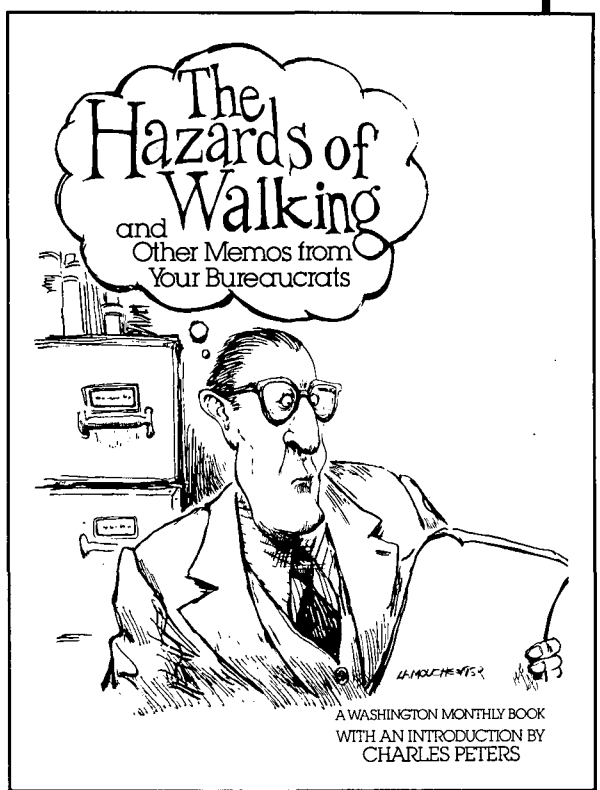

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Editor of The Washington Monthly

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The Tallest Gun In Foggy Bottom

by Phil Keisling

photo by Diana Walker

When Henry Kissinger finally issued the order to begin the bombing, in many ways it was just what Tom Enders had been waiting for.

The time was February 1973 and Enders was then the second in command at the U.S. embassy in Cambodia. His boss, ambassador Emory "Coby" Swank, was not enthusiastic about carrying out the order. Within the year Swank would find his once-promising career in ruins because of his doubts; for now, he was only too happy to let his eager subordinate handle the details.

And that Enders did. In the next seven months, the U.S. dropped 250,000 tons of bombs on Cambodia—nearly twice the tonnage that rained down on Japan during all of World War II. At the peak of the bombardment, 80 B-52s flew in from Thailand daily, each dropping 25 tons of explosives that "boxed" an area two miles long by half a mile wide. And it was Enders—the "can-do bombardier," as William Shawcross portrayed him in his book, *Sideshow*—who instructed the air force just where many of those bombs would fall.

It was an extraordinary job for a diplomat, but one Enders performed with enthusiasm. He did it under the watchful eye of Kissinger and Alexander Haig, without letting his own boss, Secretary of State William Rogers, know of his role. He did it even though it meant breaking one American law that forbade embassy officials from giving military advice and another that authorized bombing only to protect American troops in South Vietnam. He did it even though it meant lying to reporters and congressional investigators.

Most of all, he did it because of what it meant for Tom Enders. His arrival in Phnom Penh in late

Phil Keisling is an editor of The Washington Monthly.

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1971 came on the heels of his abrupt recall from Yugoslavia, and Enders already was the subject of much speculation among his fellow foreign service officers. They wondered if he'd gone too far, if his arrogant and supercilious manner had finally caught up with him. Could his once-promising career ever recover? When he left Cambodia three years later, there was no doubt about the answer. Enders was now Kissinger's bright young protege, at age 42 soon to become an assistant secretary of state, a job that traditionally went to men a decade his senior. For American foreign policy, Cambodia had proved a disaster; for Tom Enders, it had salvaged a career.

Those unfamiliar with Cambodia may recognize Thomas Enders in another, more contemporary guise—as the Reagan administration's assistant secretary of state for inter-American affairs. The assistant secretaryship is where the state department bureaucracy and the political world usually intersect, and as the highest-ranking foreign service officer with responsibility for all of Latin America, Enders is in an enviable position. He can control the kind of information his superiors receive and define the various policy options that are available to them. He is responsible for explaining administration policy to congressmen, journalists, and even heads of state, and for trying to win their support or neutralize their opposition.

Never in recent memory has Enders's post been so prominent in the news, thanks largely to former Secretary of State Alexander Haig's decision to draw the line against what he called "Soviet-Cuban adventurism" in Latin America, particularly in Nicaragua and El Salvador. Enders came to the job largely ignorant of the region, the first assistant secretary in several decades without prior experience in Latin America. Although he could speak Italian, French, German, and some Swedish, he could not speak Spanish. Under Haig, Enders was a leading spokesman for the administration's policy of portraying Nicaragua as a "totalitarian, militarized state. . . .subservient to Cuba and the Soviet Union," while providing massive amounts of U.S. military aid to the right-wing government of El Salvador, which presides over a monthly death toll from political violence of 300 to 600 people, most at the hands of the right.

Since George Shultz replaced Haig in June, Enders has taken a more conciliatory approach towards Central America, at least in his public pronouncements. In an August 20 speech in San Francisco he criticized the "violent extremism" of both the right and the left and called for a withdrawal of all foreign military advisors from the region. A new secretary, a new policy—it's all the same to Enders.

Hired guns are nothing new in the state department, a place full of diplomats who view their jobs in a lawyerly way. To represent your bureau, your department, your government in whatever manner the "policy" indicates is standard behavior for a foreign service officer. But there are good soldiers and then there are. . . .great soldiers. There's the subordinate who follows his boss's lead, and the subordinate who not only does what is sensible to get ahead, but does it with special elan. That extra effort, so often the ingredient of high-level success, usually entails very specific skills—brilliance, ingratiation, a taste for pitched warfare over turf, and a willingness to step over a lot of prone bodies to get to the front of the line.

Tom Enders, his six feet, eight inches making him loom all the larger, possesses those skills. He is also fortunate enough to have beliefs, namely a stern anticommunism, that just happen to complement his bureaucratic abilities. That the combination has worked so successfully—that Tom Enders has come so far—reveals much about the values that shape America's foreign policy establishment, and also suggests why the policies that it embraces so often fail.

Foggy Bottom Shakedown

Tom Enders makes no secret of his ambitions. Though no foreign service officer has ever become secretary of state, Enders has confided to many his hope of becoming the first. That is unlikely; far more probable is that some day he will become the undersecretary of state for political affairs, the third highest post in the state department and the zenith for a career officer.

The true extent of the ambition and what it does to his behavior is clearest on examining how he applies those formidable bureaucratic skills. A colleague who watched him closely with Haig recalls that Enders "never disagreed with him in front of the staff—but wasn't shy about criticizing the boss when he was gone." Enders is arrogant in a studied manner; a former ambassador to a Latin American country notes, "If he doesn't think you're important, his eyes glaze over at the wrong moments." A reporter explains that Enders is surprisingly candid in off-the-record interviews; in the tradition of Kissinger, he flatters journalists by making them think he shares some of their skepticism about government policies. To admirers he is flexible and resourceful; to his many detractors his manner inspires deep distrust.

Enders is a man who also is widely feared. Of the more than 40 people in and out of the state

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department who were interviewed for this story, all but a handful insisted on no attribution. Two people who say their careers were sabotaged by Enders refused to discuss it further because they still work in the government.

Playing this intimidation game—"suck up, kick down," as one foreign service officer describes it—has been effective for Enders, as we'll see. But it also can be dangerous. How to avoid retribution? How to stay enough on the offensive that the arrogance doesn't come back to haunt you?

Since the early 1950s the best way to establish the truly unassailable position within state department ranks has been to gain a reputation as a strong anticommunist. The reason such a posture has been so well-advised for an ambitious foreign service officer dates back 30 years to the "Who Lost China?" debate. The FSOs in mainland China in 1949 who perceived the fatal weaknesses of Chiang Kai-shek and reported those findings to Washington were believed by many conservatives to have been complicit in Chiang's fall to the Communists. The resulting state department purge ruined the careers of brilliant foreign service officers like John Paton Davies, whose prophetic cables were not appreciated until many years later.

The example of Davies and the other "China Hands" was very fresh in the minds of FSOs of Tom Enders's generation. It wasn't enough to be anticommunist; you had to prove it over and over. Just a whiff of evenhandedness in reports of communist activity might be enough to raise eyebrows and derail the best-laid of career plans. So it was safer to overlook those things inconsistent with the prevailing orthodoxy. This Enders did in 1972 when a fellow embassy official in Phnom Penh, Bill Harben, determined that the reelection victory of Cambodian Premier Lon Nol had been stolen. To admit Lon Nol was so deeply disliked by his own people would have suggested a fundamental failure in the American policy that hitched its success to his. Accordingly, Enders instead told Washington the election was a "step forward for Cambodian democracy."

Fortunately for Enders, this anticommunist view came naturally. In an oration delivered to his Yale classmates in 1953, five years before he joined the foreign service, Enders looked forward to "a cold war kind of world with its grinding, unromantic success of a thousand crises, which can be solved no other way than one by one." That was the right idea, and one didn't have to be as crass as Joe McCarthy to stake out such a position. Indeed, Enders has always prided himself on being a sophisticated anticommunist. He is very much in the mainstream of the American foreign policy establishment: a member of the Council on Foreign Relations, a man who would feel much more at home with a Dean Acheson or a George Ball (one of his old bosses) than a Jesse Helms.

Among such respectables, the truly important foreign policy issues have centered not on the developing world, but on Europe. What is the meaning of the latest power shift in the Soviet Politburo? How strong is NATO? Such are the questions debated with urgency over cocktails and at diplomatic receptions, pondered as one jets back and forth across the Atlantic. Conservative or liberal, these Atlanticists share the assumption that the East-West conflict in Europe is of paramount importance. Any suggestion that, say, Mexico's economic policies are of greater—or even close to equal—relevance to real U.S. interests is traditionally greeted in these circles with dismissive stares.

This preference for Europe has not been just ideological; it has been personal as well. The charming villages, the skiing at Gstaad, the art museums, the music, the dance, the international film festivals, the diplomatic receptions—among most foreign service officers, Europe traditionally has been the stuff ideal careers were made of.

On this international stage, Latin America has been little more than a sideshow. Of course, when the natives became restless, we would send in the marines. And there have been brief periods when Latin America has received sympathetic attention: The Kennedy administration started the Alliance for Progress and Jimmy Carter had the good sense to relinquish control of that hated symbol of Yankee imperialism, the Panama Canal. But the foreign service and its officers usually have shown little interest in this part of the world. "Latin America usually has been regarded as the 'cha cha beat,'" says a former assistant secretary for inter-American affairs, "a place where second-rate people usually went—and stayed."

Enders is visibly steeped in this Europhile tradition. His appointment to the inter-American affairs post not only was unexpected, but was also a rebuke, calculated or not, to the state department's Latin American specialists. That in itself is not bad, for the state department is no stranger to parochialism. But even Enders's penchant for hard work and his ability to assimilate large amounts of information cannot fully compensate for a basic ignorance about the region, an ignorance that reveals itself in small but disturbing ways.

Perhaps the best example came during Enders's only trip to Nicaragua, in August 1981. According

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to one Nicaraguan diplomat, he surprised the Sandinistas with how well prepared and conciliatory he was. But when Enders asked why Nicaragua felt compelled to increase the size of its army, and Interior Minister Manuel D'Escoto had replied, "The United States," Enders made light of it. "We're 100 times bigger than you are, he reportedly said. "We could crush you."

Enders said it with a smile, as a joke, and it was certainly true—Nicaragua's 25,000-man army and seven-plane air force would be no match for the United States. But there was incomprehension among the Sandinistas, as if Enders did not realize it was this very attitude his hosts most resented. It recalled for them not just the 1919-1933 marine occupation of Nicaragua, but a century of U.S. intervention in the entire region. Soon after that, when Enders went up to Capitol Hill to describe CIA covert-action plans against Nicaragua, the comment took on a different, more menacing, meaning.

Friends and Enemies

Thomas Ostrom Enders was born in 1931 to a wealthy and conservative Hartford, Connecticut banking family, the namesake of a great-grandfather who'd been president of Aetna Life Insurance Company. In 1953 he graduated from Yale College, at the top of a class that included Lowell Weicker and Edwin Meese III. It was a conservative, traditional class, one member recalls: "Yale was a real success factory, but something was missing. I don't think any of us were taught values that might have prompted us to scuttle a career for any moral reason."

Enders joined the foreign service in 1958 and his rise through its ranks was extraordinarily fast. George Kaplan, his immediate superior from 1963 to 1965 when the two worked in the Bureau of European Affairs, recalls that Enders's talents were "exceptional. Of all the people in the foreign service of his generation that I knew, he was the brightest of the lot. He could write magnificently; he was an indefatigable worker who would never shy away from even the scut work. And he always made absolutely sure his bridges to me were in first-class repair."

Yet for all this, Kaplan was disturbed by Enders: "There seemed no place in America where Tom was comfortable other than Georgetown. Baseball, poker—he had absolutely no interest in any of it. He seemed not to care a whit about American culture—but if Andre Malraux happened to come to town he'd find a way to see him."

The disconnection from American values—the elitism—is common in the foreign service, but especially pronounced in Enders's case. (Ten years later, Sally Quinn would show another side of it in *The Washington Post*, drawing a devastating portrait of the efforts of Enders's wife, Gaetana, to place Cambodian refugees as maids in Georgetown. The Cambodian intellectuals were not ideal servants, she said, because "they don't know how to work the appliances and they break them.") What makes the elitism and the arrogance so significant is that they not only didn't hurt Enders, but actually helped him. "A good efficiency report always should say something negative," Kaplan says. "Saying a young officer doesn't suffer those he considers to be fools is just the thing a lot of superiors want to hear."

In 1966, Enders landed a choice assignment as a special assistant to the undersecretary for political affairs. By the time Nixon was elected, even those colleagues who had felt patronized by Enders assumed he was destined for important things. A prestigious European ambassadorship, certainly; possibly even the undersecretaryship. But Enders still lacked an essential foreign service chit: overseas experience at a high level. So he began seeking an assignment as a deputy chief of mission (the number two post in an embassy); the country he got was Yugoslavia.

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What happened in Yugoslavia is crucial to understanding Enders's subsequent career. Without it, his journey to Phnom Penh, not to mention his performance there, is inconceivable, as is his appointment to his current post. The U.S. ambassador to Yugoslavia, William Leonhart, resembled Enders in some respects: he was brilliant, arrogant, and also ambitious. This was his first major ambassadorship; for him, too, it would be a testing ground.

Almost from the start the two were at odds, not over policy issues but over turf: who could give what orders to subordinates, what prerogatives Enders had when Leonhart was out of the country. Tensions got so high that junior officers remember Enders and Leonhart shouting at each other at staff meetings.

Enders's arrogance finally betrayed him. In 1971 Leonhart arranged for his recall to Washington. Those in the foreign service know how important such a recall—and the inevitable bad efficiency report—can be for a rapidly rising career. Roger Morris, a former foreign service officer who resigned as Kissinger's aide after the Cambodian invasion, recalls, "You'd always hear stories about bright young officers who'd crossed the boss and ended up stamping passports. Some people I knew in similar jams took seven or eight years to get back on the career track."

Enders was not about to wait. Back in Washington he was recommended to Coby Swank, the new ambassador to Cambodia. Five years before, officers schemed to get Southeast Asia postings, hoping their talents might be spotted by the likes of a McGeorge Bundy or Walt Rostow. But by 1971, Indochina had become a burial ground for careers. Few wanted the job—which is a major reason Enders took it. As Swank recalls, "He felt his career had suffered a lot and he needed to salvage it. So he felt he would have to go to a place that wasn't very comfortable, where it would be perceived he wasn't ducking anything."

But before Enders settled into his new job, Bill Leonhart would become the first in a series of casualties Enders would leave behind him over the next decade. Soon after Enders's recall, stories began circulating in state department ranks that Leonhart had made improper advances to Enders's wife in Belgrade. It was a serious charge, pitting the word of one party against the other, forcing the department to choose sides. It sided with Enders; in late 1971 Leonhart was recalled from Yugoslavia and reassigned as deputy commandant of the Army War College, a post usually reserved for those officers on the verge of retirement. Leonhart got the message and ultimately left for the CIA.

The "Can-Do Bombardier"

Cambodia gave Enders a powerful new patron, who would not only revive his career after Yugoslavia but help him again a decade later: Alexander Haig. In an important sense, Cambodia was Haig's war, for he assumed much of the day-to-day responsibility for insuring it was conducted according to the White House's wishes. On his frequent trips to Phnom Penh, Haig found Enders far more to his liking than the quiet, mild-mannered Swank. Haig soon was recommending Enders to his own superiors as his "favorite" member of the embassy staff.

Kissinger's 1973 declaration of "peace with honor" for Vietnam also unilaterally declared a de facto cease fire in Cambodia between Premier Lon Nol and Khmer Rouge guerrillas. When the Khmer Rouge kept fighting, the United States began the most intense aerial bombardment in its history.

A lot of the bombs seemed to fall on civilians. On one occasion hundreds of villagers in a funeral procession were obliterated; in early August a B-52 missed its target by six miles and bombed the village of Neak Luong. *New York Times* reporter Sydney Schanberg managed to get to Neak Luong —despite Enders's efforts to stop him—and found 137 dead and 268 wounded.

The bombing campaign also produced casualties of a different sort. In April 1973 two investigators for the Senate Foreign Relations Committee, James Lowenstein and Richard Moose, arrived to determine the embassy's role in the bombing campaign. Enders told them it was minimal; shortly after, the two listened in on a cheap transistor radio owned by UPI correspondent Sylvana Foa and overheard embassy personnel radioing specific instructions to B-52 pilots. When the investigators confronted Enders, he told them "special instructions" from Washington restricted what he could divulge. Later it was discovered those instructions had been drafted by Enders himself. As for Foa, Enders later had her expelled from Cambodia, calling her reports "tendentious." Someone else had crossed him and paid the price.

And there was yet another victim—Swank himself. Before Cambodia he had been considered a potential ambassador to the Soviet Union. But next to Enders's enthusiasm for directing the bombing and the cover-up, Swank was found sorely wanting by Kissinger. When he returned to Washington in 1973 he was assigned as political advisor to the North Atlantic Fleet, in

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Norfolk, Virginia—another notorious dead-end job. He retired from the foreign service in 1975.

As much as Enders's performance infuriated reporters and congressional investigators and reflected poorly on Swank, it was of great comfort to Kissinger and Haig. Enders was doing their dirty work, much as Haig was doing Kissinger's by handling the wiretapping of reporters and his aides. Enders had become a co-conspirator, which made him vulnerable; if his superiors needed a scapegoat, he was the logical choice. But the arrangement also gave Enders some power over them. After all, what he said about the episode could make them appear in history as villains—or heroes. So for Kissinger and Haig it made sense not to punish Enders, but to promote him.

Cambodia transformed Enders finally from a good soldier to a great one. "It wasn't just his willingness to adhere to the theology—and it was a theology in Cambodia, you either were on board or you weren't—but his apparent enthusiasm for it," says a man who calls himself a friend but who was disturbed by Enders's role. "I was astonished he could become such a loyalist."

But it paid such handsome dividends—which was the whole point. In April 1974 Enders returned to Washington as Kissinger's nominee for assistant secretary of state for economic and business affairs. Though the Senate Foreign Relations Committee formally rebuked Enders for "grossly misleading" its investigators, it approved his nomination, unwilling to repudiate Kissinger, who was then at the height of his popularity.

All Talk, No Walk

As assistant secretary for economic affairs, Enders enthusiastically embraced another policy that took an admittedly bad situation and turned it into a disaster. The 1973 OPEC oil embargo had increased the world price of oil four-fold, triggering an international recession. One of Enders's main tasks was to fashion a way to break OPEC's power.

Here Kissinger and Enders reversed Teddy Roosevelt's famous dictum: For all their tough-sounding talk, they were unwilling to apply the big stick to OPEC—bold action at home to cut oil demand, such as gas rationing, and strong pressure on the major advocate of drastically higher oil prices, the Shah of Iran. Saudi Arabia, correctly foreseeing the world economic chaos that drastic increases risked, urged the U.S. to enlist the Shah in moderating prices, because the Saudis were unwilling to stand alone. But vastly increased oil revenues were part of Kissinger's grand strategy to allow the Shah to buy large

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amounts of sophisticated U.S. weaponry, thereby becoming our strategic linchpin in the region.

The U.S. ambassador to Saudi Arabia, James Akins, objected to this strategy, saying the combination of veiled military threats against Saudi Arabia and the refusal to restrain the Shah risked turning the Saudis into hardliners—and forcing oil prices even higher. His concern proved prophetic, of course. In the ensuing years spiraling OPEC prices would bring the world to the brink of economic depression.

For his refusal to toe the administration line, Akins was forced out of the foreign service by Kissinger. Enders was rewarded for his loyalty; in 1976 he was on his way to Ottawa as ambassador to Canada, one of the cushiest posts open to a foreign service officer.

Enders later described the Canadian assignment as "the best job of my life" for *Maclean's* magazine, which recalled with some awe that Enders had "royally entertained" more than 2,500 people in one year. In 1979 he became ambassador to the European Economic Community in Brussels, a post where his economic knowledge was particularly useful. But Enders clearly wanted more. He took German lessons and promoted rumors of his impending assignment as West German ambassador, though the posting never came. And he kept his bridges in full repair with his superiors in Washington. A former European ambassador who visited him in Brussels recalls that whenever Enders planned to make a speech "he'd send it first back to Washington for clearance, even if he was giving it to some obscure institute in Nice and the speech wouldn't even be reported in the *Monte Carlo Journal.* He was determined to do absolutely nothing that might alienate him from his superiors."

The election of Ronald Reagan brought Haig to the state department—and a dramatic change in Enders's fortunes. He didn't get his first choice of jobs—assistant secretary for European affairs—but he was more than happy with the inter-American affairs post. The appointment was held up for five months in the Senate by Jesse Helms, who has never cottoned much to the "striped pants" fraternity from which Enders comes. But here the rigid anticommunist credentials, built up over many years, came in handy. Enders's lack of experience in Latin America was also a plus with Helms and other hard-line conservatives. He hadn't been implicated in the Panama Canal "giveaway."

Nonetheless, the challenge from the right wing must have given Enders some reason for pause, in much the same way as those who survived the "Who Lost China" debate must have felt chastened, even if their records as cold warriors were, like Enders's, unassailable. Accordingly, the administration's aggressive policy on Latin America dovetailed nicely with Enders's need to reassert the toughness and anticommunism that had served him so well in the past. Haig, after all, was plagued with similar demons.

The Wrong Stuff

A friend who has known Enders since college offers this: "If Tom wanted to be a great man, perhaps someday a great secretary of state, I would suggest to him that he first take a year off, travel around the world, wear scruffy clothes, and never once talk to a government official. And I would tell him to stoop over, not just physically, but metaphorically."

The time for that probably passed 20 years ago, though the idea is an important one. The right kind of foreign service officer is someone who will test his assumptions against the evidence of the world, who will constantly ask himself whether American policies are working—and to what end. These have not been the kinds of questions Enders has pursued in his career, well aware that the answers to them can often prove inconvenient, as John Paton Davies discovered.

A former superior of Enders, after praising his considerable talents observes, "You look back to his career and you realize Tom has never been associated with any great cause; there's nothing the guy has fought and bled for that is really important." Enders instead has found it far safer to confine his intellectual energies and fighting instincts to climbing the hierarchy and defending the chosen policies, rather than articulating a larger purpose for American foreign policy that goes beyond a rudimentary distaste for communism.

Having that larger purpose doesn't require one to prefer baseball to Malraux, but it does require a grounding in certain democratic values—values that in the past have attracted other countries to our side. Though Jimmy Carter botched it, this was what his human rights policy was all about—convincing other nations that our concern for these values didn't stop at our borders and that we would risk offending our ostensible friends to promote them.

This has not been the legacy Tom Enders has tried to leave. Behind him stretches another legacy: of victims who crossed his path; of discredited policies he embraced; and of a system that has protected and rewarded him—and will probably continue to do so. ■

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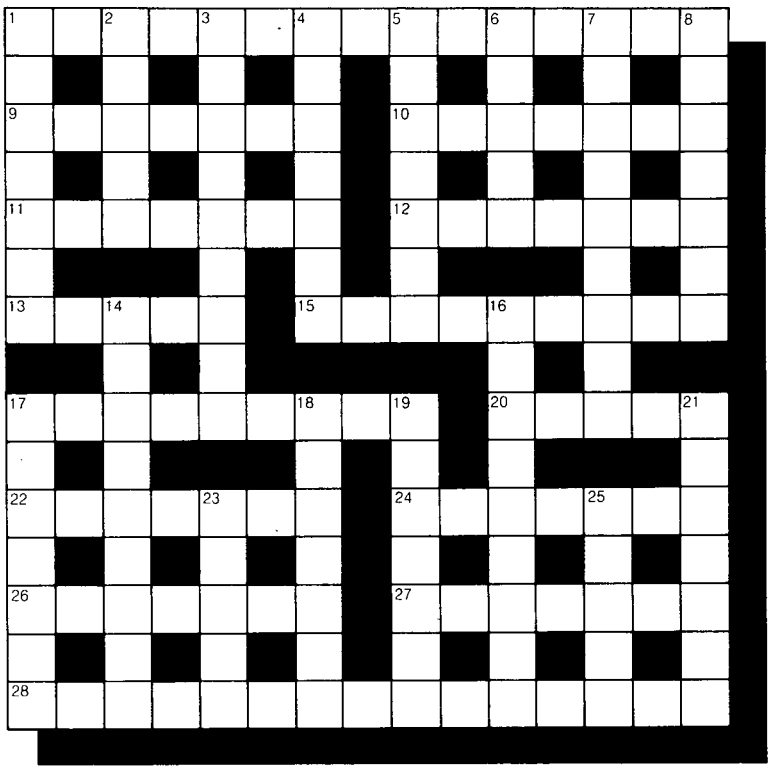
POLITICAL PUZZLE



by John Barclay

The numbers indicate the number of letters and words, e.g., (2,3) means a two-letter word followed by a three-letter word. Groups of letters, e.g., USA, are treated as one word.

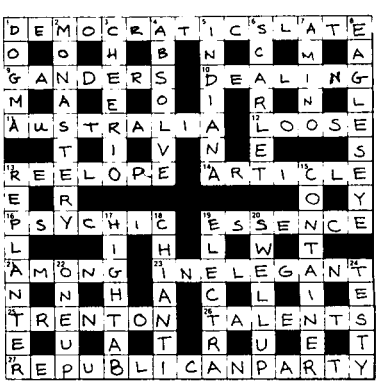
ACROSS

1. Ward rods have power on the Hill? (9, 6)
9. Like Paul and Louis? (7)
10. Came from nos. 13, 14, 8 we hear. (7)
11. Discover a turn he messed up. (7)
12. Better heed pet straying into ocean. (3, 4)
13. Follow four points around you. (5)
15. Maybe Arch is confused about British money. (9)
17. Scant cone built around lake. (9).
20. Oscar put 50 in wide space. (5)
22. Records sign after princess. (7)
24. Direct again about outer confusion. (7)
26. Copy roughly at one time. (7)
27. Stuffed animal scrubbed not oily. (3,4)
28. Black lawyer? (8, 7)

DOWN

1. Confused scout precedes me in uniform. (7)
2. Found in coma, inert state. (5)
3. It's recent arrangement to meet. (9)
4. Why photos developed for retail establishment. (7)
5. He chooses role, etc. haphazardly. (7)
6. Change rated deal. (5)
7. Some twins learn raft-handling. (9)
8. High point of religious architecture. (7)
14. Feeling that something will be outstanding? (9)
16. Questionable conversation gambit? (3, 3, 3)
17. Mica mud decomposed elemental substance. (7)
18. Northern stance developing, emerging. (7)
19. Cartier rediscovered wandering. (7)
21. Relent a strange kind of triangle. (7)
23. Key words after bursting. (2, 3)
25. Segments in pronoun itself. (5)

Answers to last month's puzzle:



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Taylor Branch
ON POLITICAL BOOKS

In Harry Truman, the nation took a man of Andrew Jackson's colors and flung him into the age of miracles. The only president in this century who never went to college became the only one to order the use of atomic bombs. He played barroom tunes on the piano and presided over the creation of NATO. He erupted in frustrated, vulgar, ungrammatical attacks against Republicans and music critics alike, and took daily command of the Berlin Airlift as well. To many Americans of stature, both haters and lovers of Roosevelt, Truman was a dangerous embarrassment. It was charming to think of Huck Finn as the representative American as long as he was drifting along on his own raft somewhere, but it was quite another thing for some semiliterate Missourian to be steering our huge, modern fog-cutter.

Americans, overgrown with postwar muscle and overwhelmed by their new role in the world, were looking for someone larger and classier in the White House. Truman was neither a ruler like FDR nor a hero like Ike. He was more of a hireling. To fill the need for a larger aura, his plainness became magnified into Citizen Truman, the man who could answer questions in one word and fire high-ranking officials in 30 seconds. This label didn't do Truman very much good while he was in office, but it has served him well posthumously. Historians have come to call him an "underrated" president, a bantam who managed to hold his own against superior forces and better men.

The real Truman was more than this, as Robert J. Donovan has demonstrated skillfully in his two-volume biography.* Like Lyndon Johnson, Truman inherited from a hallowed predecessor policies he liked and advisers he detested as cold, pretentious "phonies." Like Johnson, he got rid of the advisers on domestic policy and kept the ones on foreign affairs, but he did much better than either Johnson or Ronald Reagan in using folksy manners to promote flag-raising Americanism overseas. Ironically, many of his failures grew out of political temptations against which he was supposedly immune, and many of his successes may be attributed to the breadth of his knowledge.

Truman knew American history more intimately than any modern president with the possible exception of Richard Nixon. Yesteryear's politicians all were alive to him. He rattled on expansively, warmly, and accurately for hours about their wives, ailments, and private worries, weighing each one's character against the elements. He knew why Nathaniel Hawthorne pitied his good friend, Franklin Pierce, and he could describe the dynamic of the literary partnership between Mark Twain and Ulysses Grant. Truman loved this history for its own sake rather than for his own use, and, unlike Nixon, he seemed open to any lesson from it, not just to the theme of *machismo*.

Above all, Truman had a healthy respect for forces outside himself. Reading Donovan, one can see how, in our constant tinkering with presidential reputations as personified history, we can forget that several billion other people were active in the world. Those people produced a swirl around Truman, making him a figure of marked transition—the last president to campaign on railroad tracks, the first to have televised coverage of his inauguration—and bombarding him with fateful crises. What should he do about Stalin's moves to control the government of Poland? What about the demands of Zionists for a Palestinian state, or of French moves to reenter Lebanon? Should we form the United Nations, build a Marshall Plan, invent a CIA? The rush of events—and the colonial sympathies of the responsible American diplomats—was so strong that Truman did not respond to Ho Chi Minh's letters about the prospects for an independent postwar Vietnam. There, and in Korea, haphazard boundaries popped up along the lines between allies as they accepted Japanese surrender.

In 1948, the Soviet Union moved to control Czechoslovakia just before the declaration of the nation of Israel, which took place just before the Dixiecrats walked out of the Democratic convention. Truman—having alienated Democratic liberals by not being FDR and by branding Henry Wallace as too pink (among other deeds) and having enraged the conservative Democrats by proposing the civil rights agenda for the next 20 years—seemed to have the support of no one other than his wife, Bess, and Clark Clifford. But he

Taylor Branch is a Washington writer and a contributing editor of The Washington Monthly.

**Conflict and Crisis: The Presidency of Harry S. Truman, 1945-48.* W. W. Norton, 1977. *Tumultuous Years: The Presidency of Harry S. Truman, 1949-53.* W. W. Norton, 1982.

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made a fool of everyone in the 1948 elections, and in the process he set the course of American politics for the next generation. No one bordering on the socialist left would be tolerated in America and the segregationist right would be marked for extinction, both sacrified in part to the desire for a bipartisan foreign policy. On election night, 1948, Truman sneaked off to a Missouri hotel with three Secret Service agents. Not a single reporter or White House staff person knew where he was. Such isolation of a president now is inconceivable.

Donovan left Truman in that hotel at the end of his first volume, which covered Truman's first term in office. The second volume, which covers the second term, 1949-53, is less consistently riveting than the first, perhaps because Truman is less engagingly triumphant. And Donovan feels obligated to bog down the reader with a long-winded summary of volume one.

In Truman's second term, the tumult seems to subside, comparatively, although the jarring mixture of old and new continues. We see the president, having received first reports of a massive attack by North Korea, rushing to the airport in Kansas City. He demands to know why he is not airborne. Informed that the navigator has not yet scrambled to the plane, Truman angrily orders it to take off without him. At the last minute, the navigator pulls alongside the taxiing plane in a car and climbs aboard on a rope ladder, like a Hollywood stuntman. Truman asks reporters not to report this drama or otherwise frighten the American people into thinking there is war in Korea or that their president is jumpy. All the reporters comply. They wouldn't today. The changes have been stark. Truman's mini-cabinet meetings were clubby affairs, to which the chief justice sometimes was invited. His White House staff never exceeded 13 people; Gerald Ford had 550.

Truman originated a centralized national security council system that would become an enormous bureaucracy for all his successors. Truman, the last unpackaged president, took steps that led to the packaging not only of future presidents but of the government itself. The impulse to package things is understandable in retrospect, because so much seemed at risk. Now, accustomed to the long, slow drift, we forget the rapid fluctuations between giddiness and despair of those years. Americans, as Eric Goldman wrote, were so flushed with power and wizardry that they genuinely looked forward to a 20-hour work week and European vacations for the working class. On the other hand, many leading economists predicted that the economy would collapse with demobilization or on the orders of John L. Lewis. Less than a month after the rapture of V-E Day, Truman was obliged to send condolences to the relatives of an appalling 45,000 American casualties on Okinawa. MacArthur marched northward through Korea, captivating Truman with glorious dreams of a unified, non-communist Korea—only to retreat again under slaughter by the Chinese. Americans planned to unite the whole world through the United Nations, but Joe McCarthy convinced them a few years later that their own government was riddled with treason. Politics was a free-for-all in a crowded ring. Admiral Radford publicly accused army and air force officers of trying to *destroy* the navy, and yet he went on to become Eisenhower's Joint Chiefs of Staff chairman. The military services ridiculed each other's weapons; capitalists and labor leaders bloodied each other. For many, national politics seemed *too* democratic. They would like things better when Eisenhower used his blandness and Truman's national security build-up to conceal these differences under unified management.

Truman spoke and thought of politics as a contest of character, not of ideas or institutions. Unlike all his successors to date, he was seldom vague and almost never employed economic buzzwords. His personalism carried with it an idea of loyalty that, as Donovan details, made Truman more tolerant of corruption than even his detractors like to remember him. He seemed to think of boodling as a matter of personal risk, like sexual peccadillos, that was nobody's official business. (Also, he may have preferred the company of zany crooks to that of the pompous technocrats who were replacing them.) Truman's ideas and all his principles were old Jacksonian ones for the most part. He almost never spoke about them abstractly, but they were implicit in the colorful ways he described the people and events that impinged on his days. Nowadays, politicians are obliged to lead with their ideas, which means packaging them, and the result is that they almost never have anything as refreshing as Harry Truman inside the wrapping paper. ■

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The Washington Monthly

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POLITICAL BOOKNOTES

The American Presidency: Principles and Problems, Vol. 1. *Kenneth W. Thompson. Univ. Press of America, $6.25.*

Compelling Belief: The Culture of American Schooling. *Stephen Arons. McGraw-Hill, $19.95.*

The Cult of the Atom: The Secret Papers of the Atomic Energy Commission. *Daniel Ford. Simon & Schuster, $14.50.*

The Farming Game. *Bryan Jones. Univ. of Nebraska Press, $15.95.*

In Search of Excellence. *Thomas Peters, Robert H. Waterman Jr. Harper & Row, $16.95.* These are the practical lessons to be learned from America's best-run companies, not the kind of vapid generalities the title would lead you to expect. Recommended.

Leaders. *Richard Nixon. Warner Books, $17.50.* Don't ignore this book because of its author. He happens to have known—and in some cases known well—the leaders he writes about, from Zhou Enlai to MacArthur to Sadat, and his observations about them range from useful to highly perceptive.

Life and Death in the Corporate Battlefield. *Paul Solman, Thomas Friedman. Simon & Schuster, $14.50.*

Miracle by Design: The Real Reason Behind Japan's Economic Success. *Frank Gibney. Times Books, $16.95.*

Newswatch: How TV Decides the News. *Av Westin. Simon & Schuster, $15.95.*

Oppenheimer: The Years of Risk. *James W. Kunetka. Prentice-Hall, $15.95.*

Reagan's Ruling Class. *Ronald Brownstein, Nina Easton. Presidential Accountability Group, $24.50.* This mammoth book belongs on a shelf with *The Almanac of American Politics* and other essential reference works for politicos. It is Nader-produced, and the authors' true sentiments aren't hard to discern, but the lengthy profiles of the administration's top 100 officials are dispassionately written and remarkably complete.

Revolt Against Regulation: The Rise and Pause of the Consumer Movement. *Michael Pertschuk. Univ. of California, $12.95.* The author is former chairman of the Federal Trade Commission and before that a Senate staff member whose influence greatly exceeded that of many senators. He is unrepentant about the consumer causes he championed, usually with good reason. The funeral industry, television advertisers, and others he fought at the FTC were deserving targets, and the stories behind those battles make engaging reading.

But there is something disturbing about Pertschuk's assumption that he was always representing the "public interest" better than the elected representatives, who may indeed be bought off but are nonetheless the products of the most democratic part of our government. Pertschuk's own constituencies often are no less characteristic of special interest politics than his opponents'.

The author says that every time he is inclined to give his adversaries some credit, he "reflects on the wreckage of past efforts at non-confrontational accommodation." He is right that the government must play cop sometimes, but until people like Pertschuk reconcile themselves to working better with business, the economic problems we all share won't get solved.

—*Jonathan Alter*

Sez Who? Sez Me. *Mike Royko. E.P. Dutton, $13.95.* Mike Royko is the best local columnist in America, but he also might be the best columnist, period. Many of the funniest and most revealing articles in this collection aren't just about Chicago. They are about jogging or bureaucrats or "Beautiful People" or gun lovers.

What makes Royko so impressive is that he avoids the automatic response. His skepticism never becomes crankiness because of his compassion. And his compassion never becomes sappy because he has an instinctive and well-justified distrust of fern-bar do-gooders and others who happen to share his political outlook.

Like any daily columnist, he can be a hack, but the gems are worth seeking out—especially if you've never had the pleasure. —*J.A.*

Such a Peace: Yalta Revisited. *C.L. Sulzberger. Continuum, $12.95.*

Taking Care of the Law. *Griffin Bell. Morrow, $13.50.* Judge Bell had seemed one of the more able of the Carter group, but this book reveals the modesty of his legal intelligence. He justifies the

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persecution of Frank Snepp, not on the ground that Snepp revealed secrets, but on the ground that Snepp's not clearing the manuscript of *Decent Interval* with the CIA would lead others to reveal secrets. Why should the CIA clear non-secrets and how would the failure to clear non-secrets promote the disclosure of real secrets? Judge Bell does not deal with such questions.

—*C.P.*

The Western Heritage and American Values: Law, Theology and History. *Alberto R. Coll. Univ. Press of America, $7.50.*

What Kinds of Guns Are They Buying for Your Butter? A Beginner's Guide to Defense, Weaponry, and Military Spending. *Sheila Tobias, et al. Morrow, $14.50.*

With Enough Shovels: Reagan, Bush, and Nuclear War. *Robert Scheer, Random House, $12.95.* If you're one of those people who've somehow felt frozen out of the nuclear freeze debate because they couldn't wade through the ponderous prose of Jonathan Schell and other members of the armageddon-just-around-the-corner school, don't despair. Scheer, a veteran *Los Angeles Times* reporter and one of the best interviewers in America, has written a clear, concise, and—believe it or not—highly readable book about the nuclear arms race.

Scheer's thesis—that the Reagan administration's nuclear arms policy is a dangerous departure from those of previous administrations, both Democrat and Republican—isn't new, but he supplies the analysis and evidence often lacking in other critiques. Don't miss the appendix, which includes revealing interviews with key members of the Reagan team, including Eugene ("Japan Survived") Rostow and T.K ("Johnny, Get Your Shovel") Jones.

—*Thomas Hartman*

Working with Truman. *Ken Hechler. Putnam's, $14.95.*

The Years of Lyndon Johnson: The Path to Power. *Robert A. Caro. Knopf, $19.95.*

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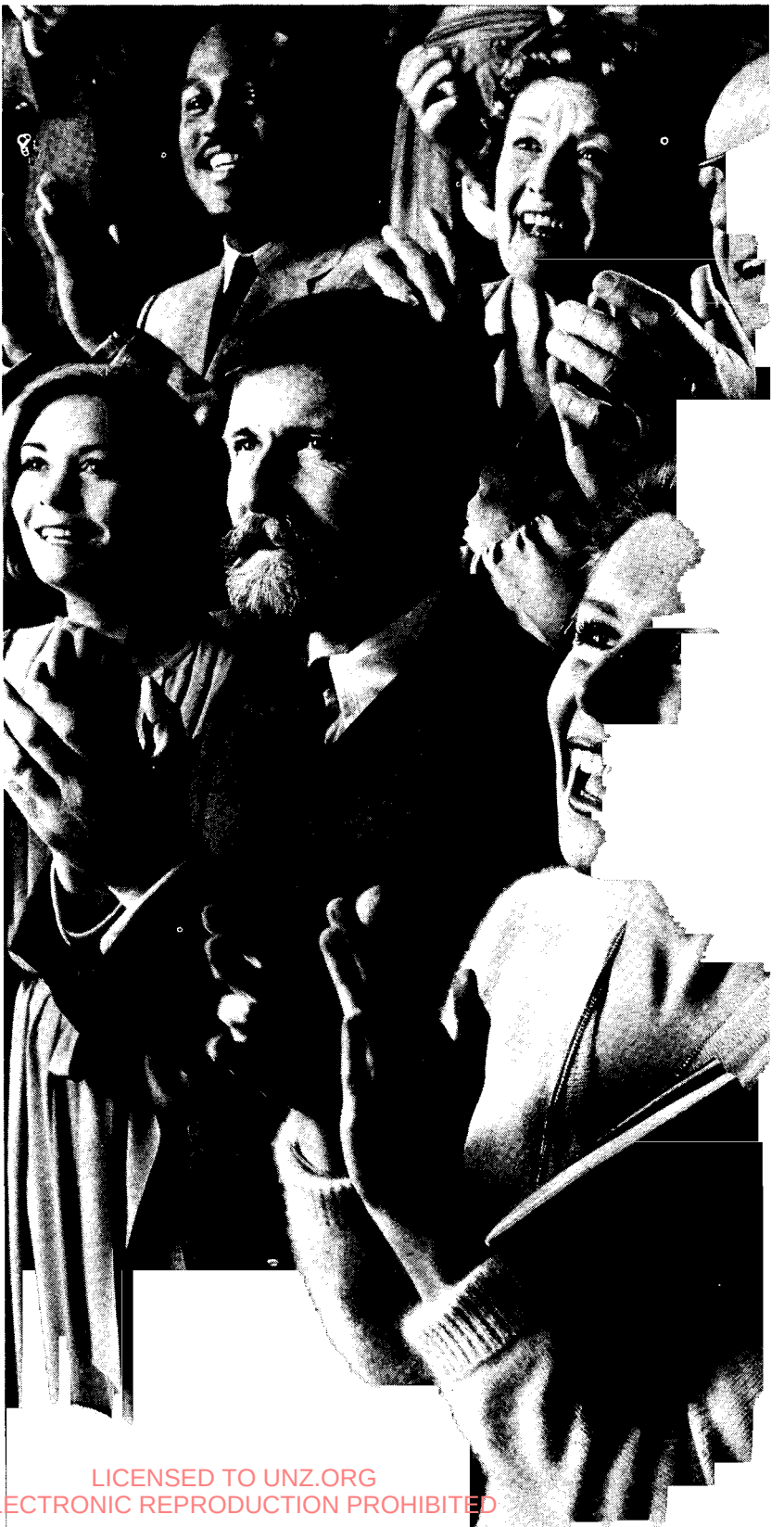

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